

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Alberta, British Columbia, and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States of America, its territories, possessions or the District of Columbia (the “United States”), and may not be offered, sold or delivered, directly or indirectly, in the United States unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act). See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of VitalHub Corp. at 480 University Avenue Suite 1001 Toronto, Ontario, M5G 1V2, and are also available electronically at www.sedarplus.ca.

New Issue

December 20, 2024

PRELIMINARY SHORT FORM PROSPECTUS

VITALHUB CORP.



\$30,000,070

2,752,300 Common Shares

Price: \$10.90 per Common Share

This short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of 2,752,300 common shares (the “**Common Shares**”) of VitalHub Corp. (the “**Company**” or “**VitalHub**”) at a price of \$10.90 per Common Share (the “**Offering Price**”).

The Common Shares are being issued pursuant to an underwriting agreement dated December 20, 2024 (the “**Underwriting Agreement**”) among the Company and Cormark Securities Inc., as lead underwriter and sole bookrunner (“**Cormark**”), and TD Securities Inc., Canaccord Genuity Corp., and Beacon Securities Limited (together, with Cormark, the “**Underwriters**”).

The Common Shares are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**VHI**”. On December 16, 2024, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was \$11.69. On December 19, 2024, the last trading day before the date of this Prospectus, the closing price of the Common Shares on the TSX was \$10.90.

The Company has applied to the TSX for approval of the Offering and to list the Common Shares on the TSX. The TSX has not conditionally approved the Company’s listing application and there is no assurance that the TSX will approve the listing application. Listing will be subject to the Company fulfilling all of the listing requirements of the

TSX.

	<u>Price to the Public⁽¹⁾</u>	<u>Underwriters' Fee⁽²⁾</u>	<u>Net Proceeds to the Company⁽²⁾⁽³⁾</u>
Per Common Share (Non-President's List)	\$10.90	\$0.60	\$10.30
Per Common Share (President's List)	\$10.90	\$0.25	\$10.65
Total ⁽⁴⁾	\$30,000,070	\$1,568,753.85	\$28,431,316.15

- (1) The Offering Price was determined by arm's length negotiation between the Company and Cormark, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.
- (2) The Company has agreed to pay the Underwriters a cash fee equal to 5.5% of the gross proceeds from the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option), provided that the Company and the Underwriters have acknowledged and agreed that in respect of sales of Common Shares to certain persons on a "president's list" (the "**President's List**") as mutually agreed to between the Company and Cormark, the Underwriters shall be paid a reduced cash fee equal to 2.25% of such gross proceeds (collectively, the "**Underwriters' Fee**"). The reduced cash fee payable to the Underwriters in respect of the President's List shall be applicable to up to a maximum of \$2,500,000 in gross proceeds. The Underwriters' Fee described herein assumes an investment of \$2,500,000 is made by the President's List. See "*Plan of Distribution*".
- (3) After deducting the Underwriters' Fee, but before deducting the expenses of the Offering (estimated to be approximately \$350,000), which will be paid from the proceeds of the Offering.
- (4) The Company has granted the Underwriters an over-allotment option, exercisable in whole or in part, at the sole discretion of the Underwriters, at any time, and from time to time, for a period of 30 days from and including the Closing Date, to purchase up to an additional 412,845 Common Shares (the "**Over-Allotment Common Shares**") at the Offering Price to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Company" will be \$34,500,080.50, \$1,816,254.43 and \$32,683,826.10, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Common Shares issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Common Shares forming part of the Underwriters' over-allocation position acquires those Over-Allotment Common Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

The following table sets out information relating to the Over-Allotment Option:

<u>Underwriters' Position</u>	<u>Maximum Number of Securities</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	412,845 Over-Allotment Common Shares	30 days from the Closing Date	\$10.90 per Over-Allotment Common Share

Unless the context otherwise requires, when used herein, all references to the "Offering" and "Common Shares" includes all Common Shares issuable pursuant to the exercise of the Over-Allotment Option.

Investing in the Common Shares is speculative and involves significant risks. You should carefully review and evaluate the risk factors contained in this Prospectus and in the documents incorporated by reference herein before purchasing the Common Shares. See "*Forward-Looking Information*" and "*Risk Factors*".

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Company and delivered to and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters relating to the Offering on behalf of the Company by CP LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP.

Subscriptions for the Common Shares will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about January 9, 2025 (the "**Closing Date**"), or such other date as may be agreed upon by the Company and the Underwriters, provided that the Common Shares are to be taken up by the Underwriters on or before the date that is not later than forty-two (42) days after the date of the receipt for the (final) short form prospectus related to the Offering. See "*Plan of Distribution*".

In connection with the Offering, and subject to applicable laws, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See

“Plan of Distribution”.

It is anticipated that the Common Shares will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“CDS”) or its nominee and deposited in electronic form, except in certain limited circumstances. A purchaser of Common Shares will receive only a customer confirmation from the Underwriter or registered dealer from or through whom the Common Shares are purchased and who is a CDS depository service participant (a “**Participant**”). CDS will record the Participants who hold Common Shares on behalf of owners who have purchased Common Shares in accordance with the book-based system. No certificates evidencing the Common Shares will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS. See *“Plan of Distribution”*.

The Underwriters propose to offer the Common Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Common Shares at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Common Shares is less than the gross proceeds paid by the Underwriters to the Company. See *“Plan of Distribution”*.

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. See *“Statutory Rights of Withdrawal and Rescission”*.

Stephen Garrington, a director of the Company, resides outside of Canada and has appointed CP LLP, 77 King Street West, TD North Tower, Suite 700, P.O. Box 118, Toronto, Ontario M5K 1G8 as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

The Company’s head and registered office is located at 480 University Avenue, Suite 1001, Toronto, Ontario M5G 1V2.

TABLE OF CONTENTS

	Page
GENERAL MATTERS.....	1
FORWARD-LOOKING INFORMATION.....	1
DOCUMENTS INCORPORATED BY REFERENCE	2
MARKETING MATERIALS	3
DESCRIPTION OF THE BUSINESS	4
CONSOLIDATED CAPITALIZATION	5
USE OF PROCEEDS.....	5
PLAN OF DISTRIBUTION	7
DESCRIPTION OF SECURITIES BEING DISTRIBUTED	9
PRIOR SALES.....	9
TRADING PRICE AND VOLUME	10
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	11
ELIGIBILITY FOR INVESTMENT	14
RISK FACTORS	15
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION.....	16
INTEREST OF EXPERTS	16
TRANSFER AGENT AND REGISTRAR	17
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE UNDERWRITERS.....	C-2

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise, the “**Company**”, “**VitalHub**”, “**we**”, “**us**” and “**our**” refer to VitalHub Corp. and its wholly-owned subsidiaries.

An investor should rely only on the information contained or incorporated by reference in this Prospectus. The Company or the Underwriters have not authorized anyone to provide investors with additional or different information. The Company and the Underwriters are not making an offer to sell or seeking offers to buy the Common Shares in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at the respective dates thereof, regardless of the time of delivery of the Prospectus or of any sale of the Common Shares. The Company’s business, financial condition, results of operations and prospects may have changed since that date. The Company does not undertake to update the information contained or incorporated by reference herein, except to the extent required by applicable law.

All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated by reference herein contain certain “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking statements**”) which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as “expect,” “likely”, “may,” “will,” “should,” “intend,” or “anticipate”, “potential”, “proposed”, “estimate” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this Prospectus, or in the case of documents incorporated by reference herein, as of the date of each such document. Forward-looking statements in this Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- the completion of the Offering (including the Closing Date) and the receipt of all regulatory approvals (including the approval of the TSX) in connection therewith;
- the use of the net proceeds of the Offering;
- the competitive and business strategies of the Company;
- the intention to grow the business, operations and potential activities of the Company (including but not limited to through acquisition transactions);
- the competitive conditions of the industry;
- whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations;
- the applicable laws, regulations and any amendments thereof;
- the anticipated future gross margins of the Company’s operations;
- the performance of the Company’s business and operations;
- whether the Company will continue to be in compliance with regulatory requirements; and
- whether the key personnel will continue their employment with the Company.

Forward-looking statements contained in certain documents incorporated by reference in this Prospectus are based on the key assumptions described in such documents. These assumptions include certain industry considerations, management views and review of historical data and projections. Certain of the forward-looking statements contained herein and incorporated by reference concerning the general expectations of VitalHub concerning the healthcare industry and the Company’s business and operations are based on estimates prepared by VitalHub using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which VitalHub believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While VitalHub is not aware of any misstatement regarding any industry or government data

presented herein, the healthcare industry involves risks and uncertainties and is subject to change based on various factors.

Specific risk factors relating to the following could cause actual results to differ materially from forward-looking statements:

- Difficulty in projection annual revenue and operating results
- Inability to identify and complete acquisitions
- Difficulty in competing in an industry driven by technology
- Reliance on development and maintenance of strategic relationships
- Loss of key personnel
- Long sales cycles of product offerings
- Varying margins in different revenue streams
- Discretion in the use of proceeds from the Offering
- Market price of the Common Shares
- Return on investment risk
- Dilution
- Inability to enforce legal rights

Purchasers are cautioned that the above list of cautionary statements is not exhaustive. A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Prospectus or in any document incorporated by reference. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been filed with the securities regulatory authorities in each of Alberta, British Columbia and Ontario, and is available at www.sedarplus.ca, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form (the "AIF") of the Company for the fiscal year ended December 31, 2023, dated March 21, 2024;
- (b) the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022, together with the independent auditors' reports thereon and the notes thereto;
- (c) the Company's management's discussion and analysis for the years ended December 31, 2023 and 2022;
- (d) the Company's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 and 2023, together with the notes thereto;
- (e) the Company's management's discussion and analysis for the three and nine months ended September 30, 2024 and 2023;
- (f) the management information circular of the Company dated May 8, 2024 in connection with the annual general and special meeting of shareholders of the Company held on June 27, 2024;
- (g) the material change report of the Company dated April 26, 2024 relating to the closing of the bought deal

offering, pursuant to which the Company issued 6,709,000 Common Shares at a price of \$6.00 per Common Share for total gross proceeds of approximately \$40.25 million (the “**April 2024 Offering**”);

- (h) the material change report of the Company dated November 15, 2024 relating to the Company’s acquisition of Strata Health Solutions Inc.; and
- (i) the term sheet dated December 17, 2024 in connection with the Offering (the “**Marketing Materials**”).

Any documents of the type referred to in paragraphs (a)-(i) above or similar material and any documents required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management’s discussion and analysis relating thereto, or information circular or amendments thereto that the Company files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of the distribution under the Offering will be deemed to be incorporated by reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

MARKETING MATERIALS

The Marketing Materials do not form part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any template version of “marketing materials” (as defined in National Instrument 41-101 - *General Prospectus Requirements*) filed under the Company’s profile on SEDAR+ at www.sedarplus.ca after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference in this Prospectus.

DESCRIPTION OF THE BUSINESS

Corporate Structure

The Company was incorporated under the *Business Corporations Act* (Ontario) (the “**OBCA**”) on February 24, 2010 as Quinsam Opportunities I Inc. (“**Quinsam**”). The Company completed its initial public offering as a Capital Pool Company under Policy 2.4 of the TSX Venture Exchange (the “**TSXV**”) on June 30, 2015 and its Common Shares commenced trading on the TSXV under the symbol “QOP.P” on July 3, 2015.

On November 28, 2016, pursuant to a Qualifying Transaction in accordance with Policy 2.4 of the TSXV (the “**Qualifying Transaction**”), Quinsam acquired all the issued and outstanding common shares of VitalHub Corp. In connection with the completion of the Qualifying Transaction, Quinsam filed articles of amalgamation to vertically amalgamate with the predecessor to VitalHub and pursuant to such vertical amalgamation Quinsam’s name changed to “VitalHub Corp.”. The Common Shares commenced trading on the TSXV under the symbol “VHI” on November 28, 2016.

On September 23, 2021, the Common Shares began trading on the TSX, moving (and removing its Common Shares) from the TSXV.

The Company’s registered and principal business office is 480 University Avenue, Suite 1001, Toronto, Ontario M5G 1V2.

Inter-Corporate Relationships

VitalHub Corp. is an operating company, as it develops and supports mission-critical healthcare information systems in the mental health, long-term care, community health service, home health and hospital sectors. Certain operations of VitalHub are executed in its material wholly-owned subsidiaries, as further described below.

Name	Jurisdiction of Incorporation	Percentage Ownership
Vitalhub (PVT) Ltd.	Sri Lanka	100%
H.I.Next LLC	Maryland, United States	100%
Vitalhub UK Limited	England and Wales	100%
S12 Solutions Ltd.	England and Wales	100%
Hicom Technology Limited	England and Wales	100%
Vitalhub Australia PTY Ltd	Victoria, Australia	100%
MyPathway Solutions Limited	England and Wales	100%
QWAD Community Technology Pty Ltd	South Australia	100%
Coyote Software Corporation	Ontario, Canada	100%
BookWise Solutions Limited	England and Wales	100%
BookWise Solutions Pty Ltd.	Australia	100%
Strata Health Solutions Inc.	British Columbia, Canada	100%
Strata Health Limited	England and Wales	100%
Strata Health (US) Corporation	Delaware, United States	100%
Strata Silver LLC	Delaware, United States	100%
MedCurrent Corporation	Ontario, Canada	100%
MedCurrent UK Ltd.	Scotland	100%
Premier I.T. Partnership Limited	England and Wales	100%

Business of the Company

The Company 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 & Optimization, and Patient Flow & Operational Visibility solutions.

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

Additional information regarding the business of the Company as well as its operations and assets can be found in the documents incorporated by reference herein (including but not limited to under the headings “*General Development of the Business*” and “*Description of the Business*” in the AIF), as supplemented by the disclosure herein. See “*Documents Incorporated by Reference*” and “*Description of the Business – Recent Developments*”.

Recent Developments

On November 20, 2024, the Company announced that it had successfully completed an implementation of its regional patient flow and whole-system visibility platform, SHREWD, to support improved patient flow and safer, more effective care coordination.

On December 2, 2024, the Company announced that it had amended and expanded its existing credit facilities with The Bank of Nova Scotia to further strengthen the Company’s financial flexibility. Under the terms of the amendment, the Company’s total committed borrowing capacity increased to \$65 million from \$33 million. The amended credit facilities consist of a \$60 million term facility and a \$5 million revolving facility. Subject to approval at the time of request, the Company has the ability to increase the amount that can be drawn pursuant to an accordion facility for up to an additional \$10 million. The credit facilities remain undrawn as of the date hereof.

CONSOLIDATED CAPITALIZATION

The following table sets out the consolidated capitalization of the Company as of September 30, 2024 both before and after giving effect to the Offering, and as at the date hereof after giving effect to the Offering. This table should be read in conjunction with the consolidated financial statements of the Company and the related notes and management’s discussion and analysis of financial condition and results of operations in respect of those statements that are incorporated by reference in this Prospectus, as well as the information included under the heading “*Prior Sales*” in this Prospectus.

Designation of Security	Authorized	As at September 30, 2024 before giving effect to the Offering	As at September 30, 2024 after giving effect to the Offering ⁽¹⁾	As at the date hereof after giving effect to the Offering ⁽¹⁾
Share Capital				
Common Shares	Unlimited	51,001,591 Common Shares	53,753,891 Common Shares	55,367,127 Common Shares
Options	-	3,557,536 Options	3,557,536 Options	3,455,024 Options
Deferred Share Units	-	123,414 Deferred Share Units	123,414 Deferred Share Units	123,414 Deferred Share Units
Total Capitalization		54,682,541 Common Shares, Options and Deferred Share Units	57,434,841 Common Shares, Options and Deferred Share Units	58,945,565 Common Shares, Options and Deferred Share Units

Note:

(1) Assuming no exercise of the Over-Allotment Option.

There have been no material changes to the Company’s share and loan capitalization on a consolidated basis since September 30, 2024 except as noted under the heading “*Prior Sales*”.

USE OF PROCEEDS

The net proceeds to the Company from the Offering, before giving effect to any exercise of the Over-Allotment Option, are estimated to be \$28,081,316.15 after deducting the payment of the Underwriters’ Fee of \$1,568,753.85 and the expenses of the Offering (estimated to be approximately \$350,000). If the Over-Allotment Option is exercised in full,

the net proceeds to the Company from the Offering are estimated to be \$32,333,826.07 after deducting the Underwriters' Fee of \$1,816,254.43 and the expenses of the Offering (estimated to be approximately \$350,000). The Underwriters' Fee described herein assumes an investment of \$2,500,000 is made by the President's List.

The Board of Directors is specifically contemplating the need to allocate capital in the following areas and therefore anticipates the estimated net proceeds of the Offering, assuming no exercise of the Over-Allotment Option, will be used to fund the following:

Use	Allocation
Growth initiative ⁽¹⁾	\$28,081,316.15

Note:

- (1) The Company's growth initiative is focused on the acquisition of third-party enterprises in the health care industry which provide synergistic opportunity for the Company.

At any given time, the Company may be engaged in discussions and activities in respect of potential acquisitions and while, as of the date of this Prospectus, the Company has identified and is evaluating certain potential acquisition targets, discussions with such targets are of a preliminary nature only and none of such potential acquisitions are "probable" or "significant" within the meaning of applicable Canadian securities laws. The Company has not executed any definitive agreements to acquire any business and there can be no assurances that any such agreements will be entered into. The Company believes it to be in its best interests to have access to capital if, and when, acquisition opportunities arise. As such, given continuing favourable market conditions, the Company believes it is an opportune time to complete the Offering in order to increase the Company's cash on hand. Given that the Company identifies and evaluates potential acquisition opportunities on an ongoing basis, in the event the Company determines that such opportunities may be limited, the Company may from time to time reallocate a portion of the net proceeds obtained from the Offering primarily for working capital and general corporate purposes having regard to the Company's circumstances at the relevant time.

The Company identifies target companies ("**Targets**") that are synergistic with the Company's own product and service offerings and that have annual revenues typically between \$1M-\$7M, are profitable with limited growth, and have not adopted a mobile strategy. Consideration for these acquisitions is typically composed of a combination of cash and Common Shares at approximately 1.0x-2.5x revenue multiple, although this remains subject to analysis on a case-by-case basis which may vary from the foregoing. The acquisition strategy is principally to reduce costs at the Targets through synergistic reductions and utilization of cost effective offshore resources. The Company targets improved EBITDA with cross-selling and synergistic cost reductions including effective offshore development work. Such synergies must be examined on a case-by-case basis and are difficult to set out generally.

Additional characteristics of potential Targets include:

- Recurring revenue as a large percentage of total revenue;
- Breakeven or profitable after integration with VitalHub;
- Owner-operated businesses with limited outside investment;
- Large component of expense is on research and development vs. sales and marketing;
- Little commercialization or sales and marketing expertise;
- Significant customer base with minimal retention issues;
- Limited or no expansion beyond geographical boundaries creating a large growth barrier; and
- Ability to upsell to existing install bases of target companies by bringing their product into a mobile environment.

The Company has full time resources seeking and evaluating M&A opportunities, maintains a data base of prospects and currently have identified a number of companies primarily in Canada, the UK and Australia as potential acquisition targets. The Company also has an active M&A Committee to consider M&A strategy and initiatives, which Francis Shen, a current board member, chairs. The M&A Committee, comprised of Mr. Shen, Mr. Matlow and Mr. Goffenberg, works with a non-Board advisory group that includes certain investors in the Company with extensive M&A experience.

The above-noted allocation represents the Company's intention with respect to its use of the net proceeds based on current knowledge and planning by management of the Company (excluding potential contingencies, any deficiencies and cost-

overages). Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, the Company reallocates the use of proceeds. If the Over-Allotment Option is exercised, the net proceeds from the exercise of the Over-Allotment Option, are expected to be used for the same purposes as described above. See “*Risk Factors – Risks Related to the Offering - Discretion in the Use of Proceeds*”.

To the extent that the Company’s growth initiatives are not met and the Company is forced to re-allocate certain of the proceeds of the Offering, the Company intends to use those proceeds for the following, and in the following estimated, approximate amounts:

- Cross-Selling products and upselling of VitalHub mHealth platform into install base, \$1,000,000;
- Implementation of effective sales and marketing processes, \$2,000,000;
- Build further mobile solutions including mobile versions of legacy apps to upsell into existing install bases, estimated cost not determinable at this time; and
- Develop and sell new VitalHub products into large growth markets, \$2,500,000.

In addition, the Company will look to invest more in sales and marketing to drive sales of the products and services which have an existing defined market and will also continue to focus on customer retention which would include user group meetings and customer conferences. The remaining proceeds would continue to be held by the Company for the purposes of servicing of potential future acquisitions.

Proceeds of the Offering will be kept by the Company in safe and liquid investments with tier one banks or financial institutions in interest bearing accounts. Safety and liquidity are the primary focus and characteristics.

PLAN OF DISTRIBUTION

This Prospectus is being filed in each of provinces of Alberta, British Columbia, and Ontario, to qualify: (i) the distribution of 2,752,300 Common Shares being offered under the Offering (3,165,145 Common Shares if the Over-Allotment Option is exercised in full); and (ii) the grant of the Over-Allotment Option and the distribution of the Over-Allotment Common Shares issuable upon exercise of the Over-Allotment Option.

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have severally (and not jointly or jointly and severally) agreed to purchase, as principals, on the Closing Date, 2,752,300 Common Shares at the Offering Price, for aggregate gross consideration of \$30,000,070, payable in cash to the Company against delivery of the Common Shares. The Offering Price was determined by arm’s length negotiation between the Company and Cormark, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares. The obligations of the Underwriters under the Underwriting Agreement are subject to certain closing conditions and may be terminated at their discretion on the basis of “disaster out”, “material change out” and “breach out” provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any Common Shares are purchased under the Underwriting Agreement.

The Company has granted to the Underwriters the Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days from and including the Closing Date, to purchase up to an additional 412,845 Over-Allotment Common Shares at the Offering Price to cover the Underwriters’ over-allocation position, if any, and for market stabilization purposes. A purchaser who acquires Over-Allotment Common Shares forming part of the Underwriters’ over-allocation position acquires those Over-Allotment Common Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Underwriters in connection with the Offering, and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters the Underwriters’ Fee equal to 5.5% of the gross proceeds of the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option), provided that the Company and the Underwriters have acknowledged and agreed that in respect of sales of Common

Shares to the President's List, as mutually agreed to between the Company and Cormark, the Underwriters shall be paid a reduced Underwriters' Fee equal to 2.25% of such gross proceeds. The reduced cash fee payable to the Underwriters in respect of the President's List shall be applicable to up to a maximum of \$2,500,000 in gross proceeds.

The Offering is being made in the provinces of Alberta, British Columbia, and Ontario, through those Underwriters or their affiliates who are registered to offer the Common Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Common Shares in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters.

The Company has applied to the TSX for approval of the Offering and to list the Common Shares on the TSX. The TSX has not conditionally approved the Company's listing application and there is no assurance that the TSX will approve the listing application. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

The Underwriters propose to offer the Common Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Common Shares at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Common Shares is less than the gross proceeds paid by the Underwriters to the Company.

Pursuant to the Underwriting Agreement, the Company has agreed not to, without the prior written consent of Cormark, on behalf of the Underwriters, such consent not to be unreasonably withheld, directly or indirectly, offer, issue, pledge, sell, contract to sell, announce any intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares, other than: (i) the issuance of Common Shares in connection with the exercise of any currently outstanding Options of the Company; (ii) the issuance of Options to acquire Common Shares pursuant to the Company's stock option plan; (iii) the issuance of awards pursuant to the Company's incentive award plan; (iv) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been disclosed to the Underwriters; and (v) the issuance of any securities pursuant to any acquisition, joint venture or partnership, for a period of 90 days after the Closing Date.

In addition, in accordance with the terms of the Underwriting Agreement, the Company will cause each of its executive officers and directors to enter into lock-up agreements in a form satisfactory to the Company and Cormark, on behalf of the Underwriters, pursuant to which each such person agrees, for a period of 90 days after the Closing Date, not to, directly or indirectly, sell, agree to sell, announce any intention to sell, or otherwise monetize the economic value of, any Common Shares or other securities (including but not limited to options, purchase contracts, rights or warrants) convertible into or exchangeable for Common Shares, whether now owned or hereinafter acquired, directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, without the prior written consent of Cormark, such consent not to be unreasonably withheld, subject to the following exceptions: (i) if the Company receives an offer, which has not been withdrawn, to enter into a transaction or arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, a party could, directly or indirectly acquire an interest (including an economic interest) in, or become the holder of, 100% of the total number of Common Shares, whether by way of takeover bid, plan of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, or other merger, transaction or arrangement; (ii) in respect of sales to affiliates of such person; or (iii) as a result of the death of any such person.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Underwriters may

over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSX, in the over-the-counter market or otherwise.

The Common Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) or any state securities laws and, subject to registration under the U.S. Securities Act and applicable state securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person or any person in the United States.

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about January 9, 2025, or such other date as may be agreed upon by the Company and the Underwriters, but in any event not later than 42 days after the date of the receipt of the (final) short form prospectus.

It is anticipated that the Common Shares will be delivered under the book-based system through CDS or its nominee and deposited in electronic form, except in certain limited circumstances. A purchaser of Common Shares will receive only a customer confirmation from the registered dealer from or through which the Common Shares are purchased and who is a Participant. CDS will record the Participants who hold Common Shares on behalf of owners who have purchased Common Shares in accordance with the book-based system. No certificates evidencing the Common Shares will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to reimburse the Underwriters for certain expenses incurred in connection with the Offering and to indemnify the Underwriters and each of their respective subsidiaries, and affiliates, and each of their respective directors, officers, employees, unitholders and agents against, certain liabilities and expenses and to contribute to payments the Underwriters may be required to make in respect thereof.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the date of this Prospectus, there are 52,614,827 Common Shares issued and outstanding.

The holders of the Common Shares are entitled to one vote per share at all meetings of the shareholders of the Company either in person or by proxy. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Company and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company. The Common Shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other disposition of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The Common Shares are not subject to call or assessment rights or any pre-emptive or conversion rights. There are no provisions for redemption, purchase for cancellation, surrender or purchase of funds.

PRIOR SALES

The details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period before the date hereof, can be found under the heading “*Prior Sales*” in the AIF or as set out in the following table. In addition, the following table sets forth all additional issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, after September 30, 2024 to the date hereof.

		Issuance/Exercise	
--	--	-------------------	--

Date	Type of Security Issued	Price per Security	Number Issued
January 5, 2024	Common Shares ⁽¹⁾	\$1.80	35,000
January 18, 2024	Common Shares ⁽¹⁾	\$2.03	20,000
January 18, 2024	Common Shares ⁽¹⁾	\$2.71	10,000
January 22, 2024	Common Shares ⁽¹⁾	\$2.66	25,000
January 24, 2024	Common Shares ⁽¹⁾	\$2.03	20,000
January 25, 2024	Common Shares ⁽¹⁾	\$3.15	4,169
January 30, 2024	Common Shares ⁽¹⁾	\$2.66	10,000
February 2, 2024	Options	\$4.46	40,000
February 27, 2024	Common Shares ⁽¹⁾	\$2.66	65,000
March 14, 2024	Common Shares ⁽¹⁾	\$3.15	20,000
March 14, 2024	Common Shares ⁽¹⁾	\$1.80	15,000
March 14, 2024	Common Shares ⁽¹⁾	\$2.66	25,000
March 18, 2024	Common Shares ⁽¹⁾	\$2.85	15,000
March 19, 2024	Common Shares ⁽¹⁾	\$2.03	2,500
March 26, 2024	Options	\$6.29	1,071,000
April 4, 2024	Common Shares ⁽¹⁾	\$3.15	20,000
April 11, 2024	Common Shares ⁽²⁾	\$6.00	6,709,000
August 13, 2024	Options	\$8.67	80,000
October 29, 2024	Common Shares ⁽³⁾	\$9.25	1,480,726
November 18, 2024	Options	\$10.81	30,000
November 20, 2024	Common Shares ⁽¹⁾	\$2.66	47,501
November 22, 2024	Common Shares ⁽¹⁾	\$3.15	7,500
November 22, 2024	Common Shares ⁽¹⁾	\$3.15	9,000
November 26, 2024	Common Shares ⁽¹⁾	\$2.67	8,000
November 26, 2024	Common Shares ⁽¹⁾	3.15	10,000
November 27, 2024	Common Shares ⁽¹⁾	\$2.33	4,300
November 28, 2024	Common Shares ⁽¹⁾	\$2.33	708
November 29, 2024	Common Shares ⁽¹⁾	\$2.66	15,000
December 2, 2024	Common Shares ⁽¹⁾	\$3.15	20,000
December 12, 2024	Common Shares ⁽¹⁾	\$3.15	7,500
December 13, 2024	Common Shares ⁽¹⁾	\$3.34	2,167
December 18, 2024	Common Shares ⁽¹⁾	\$2.33	834

Note:

- (1) Issued pursuant to the exercise of Options.
- (2) Issued pursuant to the closing of the April 2024 Offering.
- (3) Issued pursuant to the closing of the acquisition of Strata Health Solutions Inc.

TRADING PRICE AND VOLUME

The Common Shares are currently listed on the TSX under the trading symbol “VHI”. The following table sets forth the reported intraday high and low prices and monthly trading volumes of the Common Shares on the TSX for the 12- month period prior to the date of this Prospectus.

Month	High (\$)	Low (\$)	Volume
December, 2023	\$4.53	\$3.81	1,260,597
January 2024	\$4.75	\$3.86	1,785,230
February 2024	\$6.07	\$4.39	2,343,981
March 2024	\$6.86	\$5.38	4,846,341
April 2024	\$6.75	\$5.80	5,759,101
May 2024	\$7.13	\$6.15	1,788,007
June 2024	\$7.97	\$6.86	2,674,389

Month	High (\$)	Low (\$)	Volume
July 2024	\$8.00	\$6.74	1,488,802
August 2024	\$8.77	\$7.48	2,060,314
September 2024	\$9.09	\$7.62	1,537,558
October 2024	\$10.24	\$8.31	1,758,714
November 2024	\$11.50	\$9.78	2,484,874
December 1, 2024 to December 19, 2024	\$12.09	\$10.69	2,353,406

Note:

(1) Source: TMX Data.

On December 19, 2024, the last day of trading prior to the date of this Prospectus, the closing price per Common Share on the TSX was \$10.90.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of DLA Piper (Canada) LLP, tax counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, the following is, as at the date of this Prospectus, a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) generally applicable to an investor who acquires Common Shares pursuant to the Offering and who, for the purposes of the Tax Act and at all relevant times (i) deals at arm’s length with the Company and the Underwriters, (ii) is not affiliated with the Company or the Underwriters, and (iii) acquires and holds the Common Shares as capital property (a “**Holder**”). Generally, the Common Shares will be considered as capital property of a Holder thereof provided that the Holder does not hold or use the Common Shares in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a “financial institution” for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a “specified financial institution” as defined in the Tax Act; (iii) an interest in which would be a “tax shelter investment” as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; (v) that is exempt from tax under Part I of the Tax Act; (vi) that has entered into or will enter into a “derivative forward agreement” or “synthetic disposition arrangement”, as those terms are defined in the Tax Act, with respect to the Common Shares; or (vii) that receives dividends on the Common Shares under or as part of a “dividend rental arrangement” as defined in the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in Common Shares. Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada (for the purposes of the Tax Act) or a corporation that does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Common Shares, controlled by a non-resident person or group of non-resident persons that do not deal at arm’s length for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to the consequences of acquiring Common Shares.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof and our understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”). This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. If the Tax Proposals are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practice of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary. No assurances can be given that the Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Common Shares and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Holders should consult their own tax advisors with respect to their particular circumstances.

Holders Resident in Canada

The following section of this summary applies to Holders who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times (“**Resident Holders**”). Certain Resident Holders whose Common Shares might not constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Common Shares, and every other “Canadian security” (as defined in the Tax Act), held by such persons, in the taxation year of the election and each subsequent taxation year to be capital property. Resident Holders should consult their own tax advisors regarding this election.

Dividends

Dividends received or deemed to be received on the Common Shares will be included in computing a Resident Holder’s income. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of “taxable dividends” received from “taxable Canadian corporations” (each as defined in the Tax Act), including the enhanced dividend tax credit in respect of “eligible dividends”, if any, so designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be restrictions on the Company’s ability to so designate any dividends as “eligible dividends”, and the Company has made no commitments in this regard.

Dividends received or deemed to be received by a corporation that is a Resident Holder on the Common Shares must be included in computing its income but generally will be deductible in computing its taxable income, subject to all restrictions and special rules under the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain, and Resident Holders that are corporations should consult their own tax advisors in this regard.

A Resident Holder that is a “private corporation” (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a tax under Part IV of the Tax Act (refundable in certain circumstances) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing taxable income.

Dispositions of Common Shares

Upon a disposition (or a deemed disposition) of a Common Share (other than a disposition to the Company that is not a sale in the open market in the manner in which shares are normally purchased by any member of the public in the open market), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such Common Shares, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such Common Shares, to the Resident Holder. The adjusted cost base to a Resident Holder of a Common Share will be determined by averaging the cost of that Common Share with the adjusted cost base (determined immediately before the acquisition of the Common Share) of all other common shares of the Company held as capital property at that time by the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “Capital Gains and Capital Losses”.

Capital Gains and Capital Losses

Subject to the Capital Gains Tax Proposals (defined below), a Resident Holder is generally required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the Tax Act, and the Capital Gains Tax Proposals (defined below), a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years

or carried forward and deducted in any following taxation year against net taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstances specified by the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is, directly or indirectly through a partnership or trust, a member of a partnership or a beneficiary of a trust that owns Common Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

For capital gains and capital losses realized on or after June 25, 2024, under the Tax Proposals released on August 12, 2024 (the “**Capital Gains Tax Proposals**”), and subject to certain transitional rules, generally, a Resident Holder is required to include in computing its income for a taxation year two-thirds of the amount of any such capital gain (a “**taxable capital gain**”) realized in the year, and is required to deduct two-thirds of the amount of any such capital loss (an “**allowable capital loss**”) sustained in a taxation year from taxable capital gains realized in the year by such Resident Holder. However, under the Capital Gains Tax Proposals, a Resident Holder that is an individual (excluding most types of trusts) is effectively required to include in income only one-half of net capital gains realized (including net capital gains realized indirectly through a trust or partnership) in a taxation year up to a maximum of \$250,000, with the two-thirds inclusion rate applying to the portion of net capital gains realized on or after June 25, 2024 in the year that exceed \$250,000. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act (as proposed to be amended by the Capital Gains Tax Proposals).

Subject to transitional rules in the Capital Gains Tax Proposals, for a capital gain or capital loss realized prior to June 25, 2024, only one-half of such capital gain would be included.

The Capital Gains Tax Proposals also contemplate adjustments of carried forward or carried back allowable capital losses to account for changes in the relevant inclusion and deduction rates.

The foregoing summary only generally describes the considerations applicable under the Capital Gains Tax Proposals, and is not an exhaustive summary of the considerations that could arise in respect of the Capital Gains Tax Proposals. Resident Holders should consult their own tax advisors regarding the effect, in their particular circumstances, of the proposed increase to the capital gains inclusion rate contained in the Capital Gains Tax Proposals.

Additional Refundable Tax

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) or that is at any time in the relevant taxation year a “substantive CCPC” (as defined in the Tax Act) also may be liable to pay a special additional tax (refundable in certain circumstances) on its “aggregate investment income” (as defined in the Tax Act), which will include any dividends or deemed dividends that are not deductible in computing the Resident Holder’s taxable income and taxable capital gains, for the year.

Minimum Tax

Capital gains realized and dividends received or deemed to be received by a Resident Holder that is an individual, other than certain trusts, may give rise to minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of the minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who, for the purposes of the Tax Act and at all relevant times, (i) are neither resident nor deemed to be resident in Canada, and (ii) do not use or hold, and are not deemed to use or hold, the Common Shares in carrying on a business in Canada at any relevant time (“**Non-Resident Holders**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. Under the Canada-United States Tax Convention (1980) (the “**Treaty**”) as amended, for example, the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty, is the beneficial owner of the dividends, and is fully entitled to benefits under the Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company that beneficially owns, directly or indirectly, at least 10% of the Company’s voting shares). Affected Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of Common Shares

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Common Share, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Share constitutes “taxable Canadian property” (as defined in the Tax Act) to the Non-Resident Holder thereof and are not “treaty-protected property” (as defined in the Tax Act) of the Non-Resident Holder at the time of the disposition.

Provided the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX) at the time of disposition, the Common Shares generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition the following two conditions are met concurrently: (i) one or any combination of (A) the Non-Resident Holder, (B) persons with whom the Non-Resident Holder did not deal at arm’s length, and (C) partnerships in which the Non-Resident Holder or such non-arm’s length person holds a membership interest (either directly or indirectly through one or more partnerships), owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act) or an option in respect of, or an interest in, or for civil law a right in, such property, whether or not such property exists. Notwithstanding the foregoing, a Common Share may also be deemed to be taxable Canadian property to a Non-Resident Holder under other provisions of the Tax Act.

A Non-Resident Holder’s capital gain (or capital loss) in respect of Common Shares that constitute or are deemed to constitute taxable Canadian property and are not “treaty-protected property” (as defined in the Tax Act) at the time of their disposition will generally be computed in the manner described above under the subheading “*Holders Resident in Canada – Capital Gains and Capital Losses*”.

Non-Resident Holders who may hold Common Shares as taxable Canadian property should consult their own tax advisors in this regard.

ELIGIBILITY FOR INVESTMENT

In the opinion of DLA Piper (Canada) LLP, tax counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, based on the current provisions of the Tax Act in force as of the date hereof, the Common Shares, if issued on the date hereof, would be “qualified investments” under the Tax Act for a trust governed by a “registered retirement savings plan”, “registered retirement income fund”, “registered education savings plan”, “registered disability savings plan”, “first home savings account”, “tax-free savings account” (each a “**Registered Plan**”) or a “deferred profit sharing plan”, all as defined in the Tax Act, provided that the Common Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX) or the Company otherwise qualifies as a “public corporation” (as defined in the Tax Act).

Notwithstanding that a Common Share may be a qualified investment for a Registered Plan, if the Common Share is a “prohibited investment” for the purposes of the Tax Act for the Registered Plan, the annuitant, holder or subscriber of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Common Shares will generally be a prohibited investment for a Registered Plan if the holder, subscriber or annuitant, as the case may be, does not deal at arm’s length with the Company for the purposes of the Tax Act or has a “significant interest” (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. However, a Common Share will not be a “prohibited investment” if such Common Share is “excluded property” (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by such Registered Plan.

Purchasers who intend to hold Common Shares through a Registered Plan or deferred profit sharing plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

RISK FACTORS

An investment in the Common Shares is speculative and involves certain risks. When evaluating the Company and its business, prospective purchasers of the Common Shares should consider carefully the information set out in this Prospectus and the risks described below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed under the heading “*Risk Factors*” in the AIF and under the heading “*Risks and Uncertainties*” in the MD&A, which are incorporated by reference herein.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Company may face. Additional risks and uncertainties, including those that the Company is unaware of or that are currently deemed immaterial, may also become important factors that affect the Company and its business. If any such risks actually occur, the Company’s business, financial condition and results of operations could be materially adversely affected.

Risks Related to the Offering

Discretion in the Use of Proceeds

Management will have broad discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading “*Use of Proceeds*” if they believe it would be in the Company’s best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company’s results of operations may suffer.

Market Price of the Common Shares

There can be no assurance that an active market for the Common Shares will be sustained after the Closing Date. The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company’s control. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company’s operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts’ estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company’s operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company’s operations could be adversely impacted and the trading price of the Common Shares may be materially adversely

affected.

Return on Investment Risk

There is no guarantee that an investment in the Common Shares will earn any positive return in the short or long term. A purchase of Common Shares under the Offering involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks, who have no need for immediate liquidity in their investment, and who can afford to lose their entire investment.

Dilution

The Company may complete additional financings and issue additional securities in the future, which may dilute a shareholder's holdings in the Company and decrease the value of the Company's securities. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of Options under the Company's stock option plan and in connection with the settlement of Deferred Share Units.

Inability to Enforce Legal Rights

Stephen Garrington, a director of the Company, resides outside of Canada. Although he has appointed CP LLP as his agent for service of process in Canada, it may not be possible for investors to enforce judgments in Canada against him. Investors may have difficulty in enforcing any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after the later of (i) the date that the issuer (a) filed the final prospectus or any amendment on SEDAR+ and a receipt is issued and posted for the document, and (b) issued and filed a news release on SEDAR+ announcing that the document is accessible through SEDAR+, and (ii) the date that the purchaser or subscriber has entered into an agreement to purchase the securities or a contract to purchase or a subscription for the securities. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser. Purchasers on the President's List will have the same rights for rescission and/or damages against the Company and the Underwriters, as the case may be, as purchasers who acquired Common Shares through the Underwriters.

INTEREST OF EXPERTS

Certain legal matters in connection with this offering will be passed upon on behalf of the Company by CP LLP and DLA Piper (Canada) LLP, and on behalf of the Underwriters by Cassels Brock & Blackwell LLP. As at the date hereof, the partners and associates of CP LLP, DLA Piper (Canada) LLP and Cassels Brock & Blackwell LLP, each as a group, beneficially own, directly and indirectly, in the aggregate, less than one percent of the Common Shares.

MNP LLP is the independent auditor of the Company and is independent within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

None of the aforementioned firms, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Company.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is TSX Trust Company at its office in Toronto, Ontario.

CERTIFICATE OF THE COMPANY

December 20, 2024

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in each of the provinces of Alberta, British Columbia and Ontario.

(signed) "*Dan Matlow*"
Chief Executive Officer

(signed) "*Brian Goffenberg*"
Chief Financial Officer

On behalf of the Board of Directors:

(signed) "*Roger Dent*"
Director

(signed) "*Francis Shen*"
Director

CERTIFICATE OF THE UNDERWRITERS

December 20, 2024

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in each of the provinces of Alberta, British Columbia and Ontario.

CORMARK SECURITIES INC.

(signed) "*Peter Charton*"
Peter Charton
Managing Director, Investment Banking

TD SECURITIES INC.

(signed) "*Colin Eadie*"
Colin Eadie
Director, Investment Banking

CANACCORD GENUITY CORP.

(signed) "*Steve Winokur*"
Steve Winokur
Managing Director, Investment Banking

BEACON SECURITIES LIMITED

(signed) "*Justin Gilman*"
Justin Gilman
Managing Director, Investment Banking