CloudMD Software & Services Inc.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2021 and 2020

(Unaudited)

(Expressed in thousands of Canadian dollars, except number of shares and per share amounts)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's external auditors have not performed a review of these financial statements.

CLOUDMD SOFTWARE & SERVICES INC.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in thousands of Canadian Dollars)
(Unaudited)

	Note	June 30, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	14	**$ 60,880**	$ 59,714
Trade and other receivables		**16,007**	2,012
Inventory		**4,613**	729
Prepaid expenses, deposits and other		**2,739**	758
Net investment in sublease		**98**	154
Total current assets		**84,337**	63,367
Deposits		**238**	238
Net investment in sublease		**-**	20
Deferred tax assets		**2,500**	-
Investment in joint venture	4	**312**	-
Property and equipment	7	**16,001**	5,792
Intangible assets	8	**11,856**	8,184
Goodwill	8	**205,527**	44,259
Total assets		**$ 320,771**	$ 121,860
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable, accrued liabilities and other		**$ 27,039**	$ 3,453
Deferred revenue		**1,807**	888
Contingent consideration	10	**15,498**	136
Contingent liability	18	**1,350**	1,350
Current portion of lease liabilities	11	**2,802**	1,170
Current portion of long-term debt	9	**2,401**	619
Total current liabilities		**50,897**	7,616
Contingent consideration	10	**18,779**	1,194
Lease liabilities	11	**10,409**	3,494
Long-term debt	9	**23,210**	2,027
Total liabilities		**103,295**	14,331
SHAREHOLDERS' EQUITY			
Share capital	13	**226,031**	112,351
Reserves		**11,183**	7,277
Shares under escrow		**2,562**	1,061
Contingent shares issuable		**8,985**	6,172
Accumulated other comprehensive loss		**(164)**	(2)
Deficit		**(31,972)**	(20,174)
Equity attributable to equity holders of the parent		**216,625**	106,685
Non-controlling interest		**851**	844
Total shareholders' equity		**217,476**	107,529
Total liabilities and shareholders' equity		**$ 320,771**	$ 121,860

Approved and authorized for issuance by the Board of Directors on August 24, 2021.

"Essam Hamza"	*"Christopher Cherry"*
Essam Hamza, Director	Christopher Cherry, Director

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

CLOUDMD SOFTWARE & SERVICES INC.
Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss
(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)
(Unaudited)

		Three months ended		Six months ended	
	Note	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
Revenue	5	**$ 15,659**	$ 2,790	**$ 24,434**	$ 5,847
Cost of sales		**10,102**	1,759	**15,286**	3,692
Gross profit		**5,557**	1,031	**9,148**	2,155
Expenses					
Sales and marketing		**1,768**	739	**2,923**	1,516
Research and development		**985**	427	**1,725**	761
General and administrative		**3,531**	1,223	**6,923**	2,067
Share-based compensation	13	**1,438**	504	**3,033**	949
Amortization of intangible assets	8	**227**	62	**451**	123
Depreciation of property and equipment	7	**602**	147	**1,067**	288
Financing-related costs		**122**	195	**871**	260
Acquisition-related and integration costs		**2,860**	135	**3,672**	233
Total expenses		**11,533**	3,432	**20,665**	6,197
Loss before undernoted		**(5,976)**	(2,401)	**(11,517)**	(4,042)
Other income		**194**	99	**258**	178
Change in fair value of contingent consideration	10	**11**	-	**326**	-
Contingent liability expense	18	**-**	(400)	**-**	(400)
Finance costs		**(112)**	(66)	**(200)**	(127)
		93	(367)	**384**	(349)
Net loss before taxes		**(5,883)**	(2,768)	**(11,133)**	(4,391)
Income tax expense		**(115)**	-	**(155)**	-
Net loss for the period		**(5,998)**	(2,768)	**(11,288)**	(4,391)
Other comprehensive loss					
Item that may be reclassified to income in subsequent periods					
Exchange differences on translation of foreign operations		**(155)**	-	**(162)**	-
Total comprehensive loss for the period		**$ (6,153)**	$ (2,768)	**$ (11,450)**	$ (4,391)
Net loss attributable to:					
Equity holders of the Company		**$ (5,994)**	$ (2,768)	**$ (11,295)**	$ (4,391)
Non-controlling interest		**(4)**	-	**7**	-
Total comprehensive loss attributable to:					
Equity holders of the Company		**$ (6,150)**	$ (2,768)	**$ (11,457)**	$ (4,391)
Non-controlling interest		**(3)**	-	**7**	-
Weighted average number of common shares, basic and diluted		**203,139,334**	98,739,850	**189,709,568**	92,361,661
Loss per share, basic and diluted		**$ (0.03)**	$ (0.03)	**$ (0.06)**	$ (0.05)

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

CLOUDMD SOFTWARE & SERVICES INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in thousands of Canadian Dollars)
(Unaudited)

	Share capital	Reserves	Shares under escrow	Contingent shares issuable	Accumulated other comprehensive loss	Deficit	Non-controlling interest	Total
Balance, December 31, 2019	**$ 16,792**	**$ 2,285**	**$ -**	**$ -**	**$ -**	**$ (7,835)**	**$ -**	**$ 11,242**
Shares issued for business combinations	663	-	-	-	-	-	-	663
Private placements	3,023	-	-	-	-	-	-	3,023
Bought deal financing	14,950	-	-	-	-	-	-	14,950
Share issuance costs	(2,407)	685	-	-	-	-	-	(1,722)
Exercise of stock options	314	(134)	-	-	-	-	-	180
Exercise of warrants	84	(4)	-	-	-	-	-	80
Shares issued for settlement of debt	578	-	-	-	-	-	-	578
Shares issued for services	409	-	-	-	-	-	-	409
Share-based compensation	-	949	-	-	-	-	-	949
Net loss for the period	-	-	-	-	-	(4,391)	-	(4,391)
Balance, June 30, 2020	**$ 34,406**	**$ 3,781**	**$ -**	**$ -**	**$ -**	**$ (12,226)**	**$ -**	**$ 25,961**
Balance, December 31, 2020	**$ 112,351**	**$ 7,277**	**$ 1,061**	**$ 6,172**	**$ (2)**	**$ (20,174)**	**$ 844**	**$ 107,529**
Shares issued/issuable for business combinations	51,704	-	1,501	3,581	-	-	-	56,786
Shares issued for investment in joint venture	129	-	-	-	-	-	-	129
Shares issued/issuable for asset purchase	1,108	-	-	190	-	-	-	1,298
Bought deal financing	58,212	-	-	-	-	-	-	58,212
Contingent shares issued	1,461	-	-	(958)	-	(503)	-	-
Share issuance costs	(5,749)	1,528	-	-	-	-	-	(4,221)
Exercise of stock options	1,455	(542)	-	-	-	-	-	913
Exercise of warrants	2,905	(1)	-	-	-	-	-	2,904
Shares issued for services	2,455	-	-	-	-	-	-	2,455
Share-based compensation	-	2,921	-	-	-	-	-	2,921
Other comprehensive loss	-	-	-	-	(162)	-	-	(162)
Net loss for the period	-	-	-	-	-	(11,295)	7	(11,288)
Balance, June 30, 2021	**$ 226,031**	**$ 11,183**	**$ 2,562**	**$ 8,985**	**$ (164)**	**$ (31,972)**	**$ 851**	**$ 217,476**

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

(Expressed in thousands of Canadian Dollars)

	Three months ended		Six months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
Operating activities				
Net loss for the period	**$ (5,998)**	$ (2,768)	**$ (11,288)**	$ (4,391)
Adjustments for				
Interest expense on lease liabilities	**63**	35	**124**	60
Accretion expense on contingent consideration	**20**	-	**24**	-
Amortization of intangible assets	**227**	62	**451**	123
Depreciation of property and equipment	**602**	147	**1,067**	288
Share-based compensation	**1,438**	504	**3,033**	949
Shares issued for services	**1,955**	135	**2,455**	135
Gain on debt forgiveness	**-**	(36)	**-**	(115)
Contingent liability expense	**-**	400	**-**	400
Unrealized foreign exchange gain	**(52)**	-	**(52)**	-
Share in profits of joint venture	**(2)**	-	**(2)**	-
Interest income from net investment in sublease	**(1)**	-	**(3)**	-
Change in fair value of contingent consideration	**(11)**	-	**(326)**	-
Net change in non-cash working capital	**(984)**	(189)	**(804)**	(82)
Net cash used in operating activities	**(2,743)**	(1,710)	**(5,321)**	(2,633)
Investing activities				
Acquisition of businesses, net of cash acquired	**(59,024)**	-	**(72,051)**	(59)
Investment in joint venture	**(181)**	-	**(181)**	-
Short term investments	-	-	**-**	(25)
Payments received from net investment in sublease	**39**	-	**79**	-
Purchase of intangible assets	**(110)**	-	**(481)**	(5)
Purchase of property and equipment	**(104)**	(38)	**(219)**	(84)
Net cash used in investing activities	**(59,380)**	(38)	**(72,853)**	(173)
Financing activities				
Shares issued for cash	**-**	15,151	**58,212**	17,974
Share issuance costs	**-**	(1,343)	**(4,221)**	(1,722)
Proceeds from exercise of stock options	**-**	180	**912**	180
Proceeds from exercise of warrants	**857**	80	**2,904**	80
Proceeds from long-term debt, net of financing costs	**23,633**	-	**23,633**	-
Payment of long-term debt	**(108)**	(56)	**(1,045)**	(251)
Payment of lease liabilities	**(489)**	(133)	**(943)**	(260)
Payment of line of credit	**-**	(1,104)	**(2)**	(1,104)
Net cash provided by financing activities	**23,893**	12,775	**79,450**	14,897
Net (decrease) increase in cash and cash equivalents	**(38,230)**	11,027	**1,276**	12,091
Cash and cash equivalents, beginning of period	**99,220**	2,760	**59,714**	1,696
Foreign curreny translation	**(110)**	-	**(110)**	-
Cash and cash equivalents, end of period	**$ 60,880**	$ 13,787	**$ 60,880**	$ 13,787

Supplemental cash flow information (*Note 14)*

1. CORPORATE INFORMATION

CloudMD Software & Services Inc. ("CloudMD" or the "Company") is listed on the TSX Venture Exchange ("TSXV") under the trading symbol DOC, and is incorporated under the laws of British Columbia, Canada. The Company's corporate office is located at 810-789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

CloudMD is an innovator in the delivery of healthcare services for individuals using a comprehensive personalized approach to support their mental, physical, and social issues. The Company's innovation comes from our ability to engage healthcare providers with productivity tools and personalized care plans that focus on health outcomes, supported through a connected care system that can engage and empower the individual in their care plan.

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The ultimate duration of COVID-19, the magnitude of the impact on the economy, and the full extent to which COVID-19 may have direct and indirect impacts on CloudMD's business is not known at this time. This could include an impact on the Company's ability to obtain debt and equity financing, impairment in the value of long-lived assets, or potential future decrease in revenue or profitability of CloudMD's operations. The Company experienced an initial impact to its brick-and-mortar services, which the Company has been successful in mitigating with its telehealth services. Management has assessed that the Company's working capital is sufficient for it to continue as a going concern beyond one year.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Board of Directors considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

(b) Significant accounting policies

These condensed interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended December 31, 2020, except for the following, which were adopted by the Company for the annual period beginning on January 1, 2021.

Investments in Associates and Joint Ventures

Investments in associates and joint ventures are accounted for using the equity method.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Company.

Unrealized gains and losses on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in those entities. When unrealized losses are eliminated, the underlying asset is also tested for impairment.

Deferred Share Units ("DSUs")

DSUs are accounted for as cash-settled share-based payment transactions whereby the cost of the DSUs is measured initially at fair value based on the closing price of the Company's common shares preceding the day the DSUs are granted. The cost of the DSUs is recognized as a liability in the statement of financial position and as a share-based compensation expense in the statement of net loss and comprehensive loss. The liability is remeasured to fair value based on the market price of the Company's common shares at each reporting date up to and including the settlement date, with changes in fair value recognized in share-based compensation expense in the statement of net loss and comprehensive loss.

(c) New standards, interpretations and amendments adopted by the Company

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments to existing standards are effective from January 1, 2021, but they are not expected to have an impact on the condensed interim consolidated financial statements of the Company.

3. BUSINESS COMBINATIONS

(a) HumanaCare Organizational Resources Inc. ("HumanaCare")

On January 11, 2021, the Company completed the acquisition of HumanaCare by way of acquiring 100% of the issued and outstanding shares of First Health Care Services of Canada Inc. ("First Health"), which owned 100% of the issued and outstanding shares in the capital of HumanaCare. HumanaCare is an integrated Employee Assistance Program ("EAP") solution which provides compassionate, holistic, physical and mental health support for employees and their families. Pursuant to the share purchase agreement, the Company issued 2,369,791 common shares on January 11, 2021 and paid $6,126 in cash to the former owners of First Health. The common shares will be subject to certain contractual restrictions on trading for a period of up to 25 months from the closing date.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Purchase consideration		
Fair value of common shares issued	$	3,670
Cash consideration		6,126
Contingent shares issuable [(1)]		1,679
Total	**$**	**11,475**
Fair value of net assets acquired		
Trade and other receivables	$	673
Prepaid expenses, deposits and other		14
Property and equipment		611
Intangible assets		1
Accounts payable and accrued liabilities		(283)
Lease liabilities		(597)
Deferred revenue		(301)
Long-term debt		(262)
Total net assets acquired	**$**	**(144)**
Goodwill	**$**	**11,619**

[(1)] The contingent shares issuable is based on management's best estimate of future revenue targets and could be higher or lower depending on the related future revenue outcome.

The excess of the fair value of the purchase consideration over the fair values of the net assets acquired is considered as goodwill. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired business.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired are estimates, which were made by management at the time of the preparation of these condensed interim consolidated financial statements based on available information. Amendments may be made to these amounts, as well as the identification of intangible assets. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

(b) Medical Confidence Inc. ("Medical Confidence")

On January 15, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Medical Confidence. Medical Confidence offers a revolutionary healthcare navigation platform with proven results in wait time reduction and patient satisfaction. Pursuant to the share purchase agreement, as amended on April 30, 2021, the Company issued 857,143 common shares on January 15, 2021 and paid $2,336 in cash to the former owners of Medical Confidence. The common shares will be subject to certain contractual restrictions on trading for a period of up to 20 months from the closing date.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Purchase consideration		
Fair value of common shares issued	$	1,389
Cash consideration		2,336
Contingent consideration (1)		355
Contingent shares issuable (1)		317
Total	**$**	**4,397**
Fair value of net assets acquired		
Cash and cash equivalents	$	161
Trade and other receivables		297
Property and equipment		44
Intangible assets		520
Accounts payable and accrued liabilities		(284)
Long-term debt		(87)
Total net assets acquired	**$**	**651**
Goodwill	**$**	**3,746**

(1) The contingent consideration and contingent shares issuable are based on management's best estimate of future revenue targets and could be higher or lower depending on the related future revenue outcome.

The excess of the fair value of the purchase consideration over the fair values of the net assets acquired is considered as goodwill. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired business.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired are estimates, which were made by management at the time of the preparation of these condensed interim consolidated financial statements based on available information. Amendments may be made to these amounts, as well as the identification of intangible assets. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

(c) Tetra Ventures LLC ("IDYA4")

On March 23, 2021, the Company completed the acquisition of 100% of the issued and outstanding membership interests of IDYA4. IDYA4 is a leading health technology company focused on data interoperability and cybersecurity based in the United States. Pursuant to the membership interest purchase agreement, the Company issued 3,889,169 common shares on March 23, 2021 and paid $6,717 in cash to the former owners of IDYA4. The common shares will be subject to certain contractual restrictions on trading for a period of up to 30 months from the closing date.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Purchase consideration		
Fair value of common shares issued	$	4,897
Cash consideration		6,717
Contingent consideration (1)		132
Contingent shares issuable (1)		1,092
Total	**$**	**12,838**
Fair value of net assets acquired		
Cash and cash equivalents	$	1,772
Trade and other receivables		868
Intangible assets		440
Accounts payable and accrued liabilities		(1,010)
Total net assets acquired	**$**	**2,070**
Goodwill	**$**	**10,768**

(1) The contingent consideration and contingent shares issuable are based on management's best estimate of future revenue targets and could be higher or lower depending on the related future revenue outcome.

The excess of the fair value of the purchase consideration over the fair values of the net assets acquired is considered as goodwill. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired business.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired are estimates, which were made by management at the time of the preparation of these condensed interim consolidated financial statements based on available information. Amendments may be made to these amounts, as well as the identification of intangible assets. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

(d) Aspiria Corp ("Aspiria")

On April 1, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Aspiria. Aspiria provides an Integrated Employee and Student Assistance Program ("SAP"), that focuses on a comprehensive suite of mental health and wellness solutions for all employer and educational sectors. Pursuant to the share purchase agreement, the Company issued 460,526 common shares on April 1, 2021 and paid $889 in cash to the former owners of Aspiria. The common shares will be subject to certain contractual restrictions on trading for a period of up to 30 months from the closing date.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Purchase consideration		
Fair value of common shares issued	$	587
Cash consideration		889
Contingent shares issuable[1]		493
Total	**$**	**1,969**
Fair value of net assets acquired		
Cash and cash equivalents	$	85
Trade and other receivables		96
Prepaid expenses, deposits and other		13
Property and equipment		159
Intangible assets		1
Goodwill		481
Accounts payable and accrued liabilities		(565)
Deferred revenue		(27)
Lease liabilities		(147)
Total net assets acquired	**$**	**96**
Goodwill	**$**	**1,873**

(1) The contingent shares issuable are based on management's best estimate of future revenue targets and could be higher or lower depending on the related future revenue outcome.

The excess of the fair value of the purchase consideration over the fair values of the net assets acquired is considered as goodwill. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired business.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired are estimates, which were made by management at the time of the preparation of these condensed interim consolidated financial statements based on available information. Amendments may be made to these amounts, as well as the identification of intangible assets. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

(e) Rx Infinity Inc., Rxi Pharmacy Inc. and Rxi Health Solutions Inc. (collectively "Rxi")

On May 11, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Rxi. Rxi provides pharmaceutical logistic services including drug distribution, patient navigation assistances, a preferred pharmacy network of over 500 pharmacies and real time universal disease management software. Pursuant to the share purchase agreement, the Company issued 1,673,640 common shares on May 11, 2021 and paid $2,750 in cash to the former owners of Rxi. The common shares will be subject to certain contractual restrictions on trading for a period of up to 20 months from the closing date.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Purchase consideration		
Fair value of common shares issued	$	2,493
Cash consideration		2,750
Contingent consideration [1]		1,274
Total	**$**	**6,517**
Fair value of net assets acquired		
Cash and cash equivalents	$	631
Trade and other receivables		2,518
Prepaid expenses, deposits and other		6
Inventory		379
Property and equipment		666
Intangible assets		1
Accounts payable and accrued liabilities		(3,072)
Lease liabilities		(88)
Total net assets acquired	**$**	**1,041**
Goodwill	**$**	**5,476**

(1) The contingent consideration is based on management's best estimate of future profitability targets and could be higher or lower depending on the related future profitability outcome.

The excess of the fair value of the purchase consideration over the fair values of the net assets acquired is considered as goodwill. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired business.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired are estimates, which were made by management at the time of the preparation of these condensed interim consolidated financial statements based on available information. Amendments may be made to these amounts, as well as the identification of intangible assets. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

(f) 0869316 BC Ltd., 1143556 BC Ltd. and 1153046 BC Ltd. (collectively "VisionPros")

On June 23, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of VisionPros. VisionPros is a vertically integrated digital eyewear platform servicing customers across North America. Pursuant to the share purchase agreement, the Company agreed to issue 9,818,181 common shares of the Company and pay $26,005 in cash to the former owners of VisionPros. There is an indemnification holdback of a further 1,090,909 shares and $3,000 of cash payable to the former owners of VisionPros for a period of up to two years following the closing date. The common shares will be subject to certain contractual restrictions on trading for a period of up to 24 months from the closing date.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Purchase consideration		
Fair value of common shares issued	$	13,511
Cash consideration		26,005
Shares under escrow		1,501
Indemnification holdback		3,000
Contingent consideration(1)		4,786
Total	**$**	**48,803**
Fair value of net assets acquired		
Cash and cash equivalents	$	403
Trade and other receivables		59
Prepaid expenses, deposits and other		293
Inventory		3,673
Property and equipment		762
Intangible assets		1
Accounts payable and accrued liabilities		(4,439)
Lease liabilities		(35)
Long-term debt		(30)
Total net assets acquired	**$**	**687**
Goodwill	**$**	**48,116**

(1) The contingent consideration is based on management's best estimate of future revenue targets and could be higher or lower depending on the related future revenue outcome.

The excess of the fair value of the purchase consideration over the fair values of the net assets acquired is considered as goodwill. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired business.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired are estimates, which were made by management at the time of the preparation of these condensed interim consolidated financial statements based on available information. Amendments may be made to these amounts, as well as the identification of intangible assets. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

(g) Oncidium Inc. ("Oncidium")

On June 25, 2021, the Company completed the acquisition of 100% of issued and outstanding share of Oncidium. Inc. Oncidium is a Canadian healthcare provider to employers. Pursuant to the share purchase agreement, the Company issued 16,521,739 common shares on June 25, 2021 and paid $28,976 in cash to the former owners of Oncidium. There is a working capital holdback of $500 of cash payable to the former owners of Oncidium for a period of 60 days following the closing date. The common shares will be subject to certain contractual restrictions on trading for a period of up to 30 months from the closing date.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Purchase consideration		
Fair value of common shares issued	$	25,157
Cash consideration		28,976
Working capital holdback		500
Contingent consideration[(1)]		26,702
Total	**$**	**81,335**
Fair value of net assets acquired		
Cash and cash equivalents	$	1,560
Trade and other receivables		8,033
Prepaid expenses, deposits and other		1,506
Property and equipment		7,383
Intangible assets		1,384
Deferred tax assets		2,500
Goodwill		23,430
Accounts payable and accrued liabilities		(13,164)
Lease liabilities		(7,059)
Total net assets acquired	**$**	**25,573**
Goodwill	**$**	**55,762**

(1) The contingent consideration is based on management's best estimate of future revenue and profitability targets and could be higher or lower depending on the related future revenue and profitability outcomes.

The excess of the fair value of the purchase consideration over the fair values of the net assets acquired is considered as goodwill. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired business.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired are estimates, which were made by management at the time of the preparation of these condensed interim consolidated financial statements based on available information. Amendments may be made to these amounts, as well as the identification of intangible assets. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

4. INVESTMENT IN JOINT VENTURE

On February 8, 2021, the Company acquired 51% of the issued and outstanding shares in West Mississauga Medical Ltd., a joint venture providing comprehensive family medicine and a specialist medical clinic with 8 family doctors and 4 specialists serving over 100,000 patients. Ownership was acquired in exchange for the issuance of 74,074 common shares on February 8, 2021 and the payment of $181 in cash.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The activities of the Company's investment in West Mississauga Medical Ltd. during the period were as follows:

Balance, January 1, 2021	$	-
Investment in joint venture		310
Share in profits for the period		2
Balance, June 30, 2021	**$**	**312**

5. REVENUE

	Three months ended				Six months ended			
		June 30, 2021		**June 30, 2020**		**June 30, 2021**		**June 30, 2020**
Clinic services & pharmacies	**$**	**6,650**	$	2,330	**$**	**10,375**	$	4,960
Digital health services		**4,009**		460		**6,432**		887
Enterprise health solutions		**5,000**		-		**7,627**		-
Total revenues	**$**	**15,659**	$	2,790	**$**	**24,434**	$	5,847

6. EXPENSES BY NATURE

	Three months ended				Six months ended			
		June 30, 2021		**June 30, 2020**		**June 30, 2021**		**June 30, 2020**
Cost of sales and other	**$**	**14,702**	$	3,192	**$**	**23,374**	$	6,001
Wages and employee benefits		**4,666**		1,286		**8,026**		2,528
Share-based compensation		**1,438**		504		**3,033**		949
Amortization of intangible assets		**227**		62		**451**		123
Depreciation of property and equipment		**602**		147		**1,067**		288
Total	**$**	**21,635**	$	5,191	**$**	**35,951**	$	9,889

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

7. PROPERTY AND EQUIPMENT

	Equipment and other	Computers	Leasehold improvements	Right-of-use assets	Total
Cost					
Balance, January 1, 2020	$ 167	$ 31	$ 81	$ 2,725	$ 3,004
Business combinations	370	37	892	1,570	2,869
Additions	59	28	63	1,034	1,184
Disposals	(2)	(1)	(6)	-	(9)
Foreign exchange differences	(2)	-	(6)	-	(8)
Balance, December 31, 2020	592	95	1,024	5,329	7,040
Business combinations	1,252	218	243	7,912	9,625
Additions	107	58	54	1,451	1,670
Disposals	-	-	-	(34)	(34)
Foreign exchange differences	(3)	-	(5)	-	(8)
Balance, June 30, 2021	**$ 1,948**	**$ 371**	**$ 1,316**	**$ 14,658**	**$ 18,293**
Accumulated Depreciation					
Balance, January 1, 2020	$ 22	$ 12	$ 17	$ 345	$ 396
Depreciation	72	28	111	648	859
Disposals	(2)	(1)	(4)	-	(7)
Balance, December 31, 2020	92	39	124	993	1,248
Depreciation	92	27	99	849	1,067
Disposals	-	-	-	(23)	(23)
Balance, June 30, 2021	**$ 184**	**$ 66**	**$ 223**	**$ 1,819**	**$ 2,292**
Net Book Value					
At December 31, 2020	$ 500	$ 56	$ 900	$ 4,336	$ 5,792
At June 30, 2021	**$ 1,764**	**$ 305**	**$ 1,093**	**$ 12,839**	**$ 16,001**

For the three and six months ended June 30, 2021, the Company recorded depreciation expense of $602 and $1,067 (2020 – $147 and $288) within expenses.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

8. GOODWILL AND INTANGIBLE ASSETS

	Customer relationships	Content License	Brand	Technology platforms	Assets under development	Total intangible assets	Goodwill
Cost							
Balance, January 1, 2020	$ 1,368	$ -	$ -	$ 885	$ -	$ 2,253	$ 9,498
Business combinations	209	90	737	5,557	-	6,593	34,761
Additions	5	-	-	5	-	10	-
Balance, December 31, 2020	1,582	90	737	6,447	-	8,856	44,259
Business combinations	1,496	-	-	525	327	2,348	161,268
Additions	382	-	-	1,213	180	1,775	-
Balance, June 30, 2021	**$ 3,460**	**$ 90**	**$ 737**	**$ 8,185**	**$ 507**	**$ 12,979**	**$ 205,527**
Accumulated Amortization							
Balance, January 1, 2020	$ 75	$ -	$ -	$ 82	$ -	$ 157	$ -
Amortization	148	-	-	367	-	515	-
Balance, December 31, 2020	223	-	-	449	-	672	-
Amortization	88	-	-	363	-	451	-
Balance, June 30, 2021	**$ 311**	**$ -**	**$ -**	**$ 812**	**$ -**	**$ 1,123**	**$ -**
Net Book Value							
At December 31, 2020	$ 1,359	$ 90	$ 737	$ 5,998	$ -	$ 8,184	$ 44,259
At June 30, 2021	**$ 3,149**	**$ 90**	**$ 737**	**$ 7,373**	**$ 507**	**$ 11,856**	**$ 205,527**

For the three and six months ended June 30, 2021, the Company recorded amortization expense of $227 and $451 (2020 – $62 and $123) within expenses.

The Company did not identify any indicators of impairment for the three and six months ended June 30, 2021.

9. LONG-TERM DEBT

	Interest rate	Maturity	June 30, 2021	December 31, 2020
	3.20%	October 31, 2020	**$ 171**	$ 186
Fixed interest rate bank loans[(1)]	3.35%	October 31, 2021	**1,436**	1,559
	3.97%	October 31, 2021	**173**	187
	CDOR +3.50%[(2)]	June 30, 2024	**23,633**	338
Variable interest rate bank loans	Prime +1.00%[(3)]	April 30, 2023	**138**	175
	Prime + 0.50%		**-**	95
Interest free loans				
RRRF Loan			**-**	38
CEBA Loan			**60**	68
Balance			**25,611**	2,646
Current portion			**2,401**	619
Long-term portion			**$ 23,210**	$ 2,027

(1) The fixed interest rate bank loans are secured by first ranking security interest over all property of CloudMD and certain subsidiaries for a maximum guarantee amount of $3,414.
(2) As at June 30, 2021, the interest rate for the variable interest rate bank loan was 4.19%.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

(3) As at June 30, 2021, the interest rate for the variable interest rate bank loan was 3.45%.

Effective June 25, 2021, the Company, through its subsidiary Oncidium, established credit facilities of up to $62,000 (the "Facilities") comprised of the following:

(1) Revolver Facility of $3,000; and,
(2) Term Facility of $59,000.

The Facilities mature 3 years from the date the funds are drawn. Interest accrues daily on advances at the applicable Canadian Dealer Offered Rate ("CDOR") plus a margin of between 2.0% and 3.5% dependent upon certain financial ratios. The fair value of the long-term debt approximates its carrying value.

As at June 30, 2021, the Company had drawn $25,000, net of $1,367 in financing costs and was in compliant with all financial covenants.

The debt is secured by a first-ranking security interest on all present and after-acquired assets of the Company's subsidiary Oncidium.

10. CONTINGENT CONSIDERATION

The following table shows a reconciliation of the contingent consideration liability:

Contingent consideration, December 31, 2019	**$**	**-**
Payment of contingent consideration		-
Contingent consideration for business combinations		1,470
Changes in fair value		(140)
Contingent consideration, December 31, 2020		**1,330**
Contingent consideration for business combinations		33,249
Accretion expense		24
Changes in fair value		(326)
Contingent consideration, June 30, 2021		**34,277**
Current portion		15,498
Long-term portion	**$**	**18,779**

The estimated amounts payable related to the contingent consideration could be higher or lower depending on the related future performance outcome. Significant increases or decreases in related financial measures would result in a higher or lower fair value of the contingent consideration liability, while significant increases or decreases in the discount rate and performance risk would result in a lower or higher fair value of the liability.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

11. LEASES

The Company leases various office, clinic, and pharmacy spaces for its operations. The Company also subleases certain excess space to a third party.

(a) As a lessee

The following is a continuity schedule of the Company's lease liabilities:

Balance, December 31, 2019	**$**	**2,438**
Lease renewal		1,034
Additions from business combinations		1,806
Interest expense on lease liabilities		140
Lease payments		(754)
Balance, December 31, 2020		**4,664**
Additions		1,451
Additions from business combinations		7,926
Interest expense on lease liabilities		124
Lease payments		(943)
Lease terminations		(11)
Balance, June 30, 2021		**13,211**
Current portion		2,802
Long-term portion	**$**	**10,409**

The following is a breakdown of contractual undiscounted cash flows for lease liabilities by maturities as at June 30, 2021:

		June 30, 2021
Less than one year	$	3,241
One to five years		9,026
More than five years		2,394
Total	**$**	**14,661**

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

12. RELATED PARTY TRANSACTIONS

Related parties include key management, the Board of Directors, close family members and enterprises which are controlled by these individuals. The below transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Remuneration of key management and Board of Directors:

	Three months ended		Six months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
Cash-based compensation	**$ 536**	$ 166	**$ 838**	$ 283
Share-based compensation	**634**	212	**1,248**	400
Total	**$ 1,170**	$ 378	**$ 2,086**	$ 683

13. SHARE CAPITAL

(a) Authorized: unlimited common shares without par value

(b) Issued and outstanding

The following is a summary of share capital activities:

	Number of common shares	**Share capital**
Balance, December 31, 2019	**81,213,470**	**$ 16,792**
Shares issued for business combinations	11,640,219	16,994
Shares issued for settlement of Livecare debt	1,500,000	578
Private placements	6,298,615	3,023
Bought deal financing	51,947,800	73,000
Share issuance costs	294,035	(9,681)
Exercise of stock options	1,928,250	2,066
Exercise of warrants	9,183,070	9,170
Shares issued for services	900,000	409
Balance, December 31, 2020	**164,905,459**	**112,351**
Shares issued for business combinations	35,590,189	51,704
Shares issued for investment in joint venture	74,074	129
Shares issued for asset purchase	574,468	1,108
Bought deal financing	21,560,000	58,212
Contingent shares issued	568,182	1,461
Share issuance costs	-	(5,749)
Exercise of stock options	1,584,000	1,455
Exercise of warrants	3,433,921	2,905
Shares issued for services	1,741,392	2,455
Balance, June 30, 2021	**230,031,685**	**$ 226,031**

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

(c) Bought deal financing

	Type	Shares issued	Exercise price	Gross proceeds	Share issuance costs	Agent warrants issued (1)	Exercise price
March 2021	Bought deal	21,560,000	$ 2.70	$ 58,212	$ 5,749	1,509,200	$ 2.70

(1) Each warrant is exercisable to acquire one common share of the Company for a period of 2 years from the closing date of the offering.

(d) Agents' warrants

The following is a summary of agents' warrants activities during the six months ended June 30, 2021:

	Number of Agents' Warrants	Weighted Average Exercise Price
Balance outstanding, December 31, 2019	**501,520**	**$ 0.76**
Issued	4,473,447	1.35
Exercised	(3,131,096)	(0.91)
Balance outstanding, December 31, 2020	**1,843,871**	**1.94**
Issued	1,509,200	2.70
Exercised	(3,437)	(0.48)
Balance outstanding, June 30, 2021	**3,349,634**	**$ 2.28**

As at June 30, 2021, the Company had the following agents' warrants outstanding, all of which were exercisable:

	Agents' warrants outstanding		
Range of exercise prices	Number of agents' warrants outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price
$0.00 to $0.50	22,676	0.98	$ 0.48
$0.51 to $1.00	149,504	1.17	1.00
$1.01 to $1.50	581,504	1.48	1.38
$2.01 to $2.50	1,086,750	1.61	2.40
$2.51 to $3.00	1,509,200	1.94	2.70
	3,349,634		

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

(e) Shareholders' warrants

The following is a summary of shareholders' warrants activities during the six months ended June 30, 2021:

	Number of Shareholders' Warrants		Weighted Average Exercise Price
Balance outstanding, December 31, 2019	**4,492,344**	**$**	**0.80**
Issued	13,828,206		-
Exercised	(6,051,974)		(0.83)
Balance outstanding, December 31, 2020	**12,268,576**		**0.93**
Exercised	(3,430,484)		(0.85)
Expired	(230,769)		(1.00)
Balance outstanding, June 30, 2021	**8,607,323**	**$**	**0.97**

As at June 30, 2021, the Company has 8,607,323 shareholders' warrants outstanding with the exercise price ranging from $0.51 to $1.00, the weighted average exercise price and remaining contractual life is $0.97 and 1.17 years, respectively. The shareholders' warrants have a fair value of $nil, valued using the residual value method.

(f) Shares under trading restrictions

As at June 30, 2021, the Company had 47,923,530 common shares that were subject to trading restrictions (December 31, 2020 – 18,263,173).

(g) Stock options

The following is a summary of activity in the Company's incentive stock option plan:

	Number of Stock Options		Weighted Average Exercise Price
Balance outstanding, December 31, 2019	**5,250,000**	**$**	**0.60**
Granted	7,449,000		1.30
Exercised	(1,928,250)		0.53
Forfeited	(118,750)		0.44
Balance outstanding, December 31, 2020	**10,652,000**		**1.08**
Granted	775,000		2.41
Exercised	(1,584,000)		0.58
Forfeited	(80,000)		2.56
Balance outstanding, June 30, 2021	**9,763,000**	**$**	**1.25**

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

As at June 30, 2021, the Company had the following stock options outstanding and exercisable:

Range of exercise prices	Options outstanding			Options exercisable	
	Number of options outstanding	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Number of options exercisable**	**Weighted average exercise price**
$0.00 to $0.50	3,270,000	3.64	$ 0.49	2,888,000	$ 0.49
$0.51 to $1.00	2,600,000	3.55	0.72	2,247,500	0.73
$1.01 to $1.50	400,000	4.41	1.38	100,000	1.38
$1.51 to $2.00	280,000	4.49	2.00	220,000	2.00
$2.01 to $2.50	3,100,000	4.70	2.36	1,118,750	2.28
$2.51 to $3.00	113,000	4.54	2.56	56,500	2.56
	9,763,000			**6,630,750**	

The following weighted average assumptions were used in calculating the fair value of stock options granted during the period using the Black-Scholes model:

	Three months ended	
	June 30, 2021	**June 30, 2020**
Expected option life	**5 years**	5 years
Risk-free interest rate	**0.91%**	0.90%
Dividend yield	**0%**	0%
Volatility rate	**60%**	100%
Forfeiture rate	**0%**	0%

(h) Restricted Share Units ("RSU")

The following is a summary of activity in the Company's RSU plan:

	Number of Restricted Share Units
Balance outstanding, December 31, 2020	-
Granted	411,000
Balance outstanding, June 30, 2021	**411,000**

(i) Deferred Share Units ("DSU")

Effective May 1, 2021, the Company adopted a cash-settled DSU plan for its independent directors (the "DSU Plan"), which provides that the Board of Directors may, from time to time, award DSUs in its discretion to the independent directors. All DSUs granted vest immediately and are credited to each independent directors' account.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The following is a summary of activity in the Company's DSU plan:

	Number of Deferred Share Units
Balance outstanding, December 31, 2020	-
Issued	50,000
Balance outstanding, June 30, 2021	**50,000**

(j) Share-based compensation

	Three months ended				**Six months ended**			
		June 30, 2021		**June 30, 2020**		**June 30, 2021**		**June 30, 2020**
Stock options	$	978	$	504	$	2,573	$	949
RSUs		348		-		348		-
DSUs		112		-		112		-
Total share-based compensation expense	**$**	**1,438**	**$**	**504**	**$**	**3,033**	**$**	**949**

14. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Cash and cash equivalents

		June 30, 2021		**December 31, 2020**
Cash	**$**	**27,744**	**$**	41,658
Cash equivalents		**33,136**		18,056
Total	**$**	**60,880**	**$**	59,714

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

(b) Other cash flow information

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Change in non-cash working capital				
Trade and other receivables	**$ (1,916)**	$ (110)	**$ (1,453)**	$ (69)
Inventory	**164**	21	**167**	47
Prepaid expenses, deposits and other	**100**	(160)	**(133)**	(197)
Accounts payable, accrued liabilities and other	**103**	54	**24**	131
Deferred revenue	**565**	6	**591**	6
	$ (984)	$ (189)	**$ (804)**	$ (82)
Non-cash investing and financing activities				
Shares issued for acquisition of Livecare	**$ -**	$ -	**$ -**	$ 663
Shares issued for acquisition of Livecare debt	**-**	-	**-**	578
Shares issued for acquisition of HumanaCare	**-**	-	**3,670**	-
Shares issued for acquisition of Medical Confidence	**-**	-	**1,389**	-
Shares issued for acquisition of IDYA4	**-**	-	**4,897**	-
Shares issued for acquisition of Aspiria	**587**	-	**587**	-
Shares issued for acquisition of Rxi	**2,493**	-	**2,493**	-
Shares issued for acquisition of VisionPros	**13,511**	-	**13,511**	-
Shares issued for acquisition of Oncidium	**25,157**	-	**25,157**	-
Shares issued for investment in joint venture	**-**	-	**129**	-
Shares issued for asset purchase	**-**	-	**1,108**	-
Shares issued for services	**1,955**	-	**2,455**	135
Issuance of agent warrants as share issuance costs	**-**	497	**1,528**	685
Other cash flow information				
Cash received for interest	**$ 59**	$ -	**$ 129**	$ -
Cash paid for interest	**(88)**	(30)	**(64)**	(66)
Cash paid for income taxes	**(115)**	-	**(155)**	-

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximize shareholder value. The Company's capital is comprised of equity and long-term debt, net of cash and cash equivalents. The Company manages the capital structure and adjusts in response to changes in economic conditions and the risk characteristics of the underlying assets. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

There were no changes to the Company's approach in its management of capital during the period.

The Company is subject to certain financial covenants in its debt obligations. The Company's strategy is to ensure it remains in compliance with all of its existing covenants so as to ensure continuous access to required debt to fund growth. Management reviews results and forecasts to monitor the Company's compliance.

16. FINANCIAL INSTRUMENTS

The Company's principal financial assets include cash and cash equivalents, and trade and other receivables. The Company's principal financial liabilities comprise of accounts payable and accrued liabilities, contingent consideration, contingent liability and long-term debt. The main purpose of these financial liabilities is to finance the Company's operations.

The carrying values of cash and cash equivalents, trade and other receivables, and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term nature of these instruments. The carrying value of long-term debt is initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. There were no transfers between levels of the fair value hierarchy.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Credit risk arises from cash and cash equivalents, and trade and other receivables. To manage credit risk, cash and cash equivalents are held only with reputable and regulated financial institutions.

The Company provides credit to its customers in the normal course of operations. The Company minimizes its credit risk associated with its trade and other receivables by performing credit evaluations on customers, maintaining regular and ongoing contact with customers, routinely reviewing the status of individual trade and other receivables balances and following up on overdue amounts. Further, trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of collections.

As at June 30, 2021, the Company had $16,007 (December 31, 2020 – $2,012) of trade and other receivables, net of an allowance for doubtful accounts of $156 (December 31, 2020 - $157).

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they become due, as well as ensuring adequate funds exist to support business strategies and operational growth. The current assets reflected on the statement of financial position are highly liquid.

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

The maturity profile of the Company's financial liabilities, based on contractual undiscounted payment at each reporting date is:

As at June 30, 2021

	Less than one year	One to five years	More than five years	Total
Accounts payable, accrued liabilities and other	$ 27,039	$ -	$ -	$ 27,039
Long-term debt	2,940	24,111	24	27,075
	$ 29,979	**$ 24,111**	**$ 24**	**$ 54,114**

As at December 31, 2020

	Less than one year	One to five years	More than five years	Total
Accounts payable, accrued liabilities and other	$ 3,453	$ -	$ -	$ 3,453
Long-term debt	619	1,969	58	2,646
	$ 4,072	**$ 1,969**	**$ 58**	**$ 6,099**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Company is exposed to interest rate risk and foreign currency risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At June 30, 2021, the Company had variable rate borrowing rate loans amounting to $23,771 (December 31, 2020 – $608). With all other variables held constant, a 1% increase in the interest rate would have increased net loss by approximately $119 (2020 – $3) for the six months ended June 30, 2021. There would be an equal and opposite impact on net loss with a 1% decrease in the interest rate.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

At June 30, 2021, the Company held net monetary assets in United States dollar ("USD") equal to $2,437 (December 31, 2020 – $545). The Company estimates the impact of a 5% change in the Canadian dollar exchange rate on its net monetary assets to be $122 (December 31, 2020 – $35).

(Expressed in thousands of Canadian Dollars, except number of shares and per share amounts)

17. SEGMENTED INFORMATION

The Company has one operating and one reporting segment. The Company's operations are entirely related to revenue and operations of delivering healthcare solutions and services to healthcare practitioners, corporations, insurers, advisors, patients and consumers.

The Company's chief operating decision-maker is the Chief Executive Officer.

See below segmented geographical information as follows:

Non-Current Assets	June 30, 2021	December 31, 2020
Canada	**$ 217,916**	$ 51,766
United States	**18,518**	6,727
Total	**$ 236,434**	$ 58,493

	Three months ended		Six months ended	
Revenue	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
Canada	**$ 12,542**	$ 2,790	**$ 19,776**	$ 5,847
United States	**3,117**	-	**4,658**	-
Total	**$ 15,659**	$ 2,790	**$ 24,434**	$ 5,847

18. LITIGATION AND OTHER CONTINGENCIES

(a) During the three months ended June 30, 2020, Gravitas Securities Inc. ("Gravitas") commenced an arbitration alleging breach of the terms of a right of first refusal in connection with an offering which was in the form of a bought deal equity financing underwritten by a syndicate of other investment banks in May 2020, and was completed on June 2, 2020 ("June 2020 Financing"). During the three months ended September 30, 2020, Gravitas amended its claims for damages to include commissions and damages arising from an additional bought deal equity financing which was completed on September 22, 2020 ("September 2020 Financing"). During the three months ended June 30, 2021, Gravitas amended its claim for damages to include commissions and damages arising from an additional bought deal equity financing which was completed on March 12, 2021 ("March 2021 Financing"). The total claims are in excess of $6,850 plus unspecified damages associated with the value of share purchase warrants that were issued in connection with the June 2020 Financing, the September 2020 Financing, and the March 2021 Financing, plus interest and cost. The Company disputes the claims with respect to the June 2020 Financing, the September 2020 Financing, and the March 2021 Financing entirely. The claims are currently subject to arbitration proceedings which the Company is defending. The Company is of the view that its defense to the claims will prevail without liability to the Company; however, an estimate of the liability to the Company should the Gravitas claims succeed is $1,200 and therefore an accrual for that amount as a contingent liability has been recorded.

(b) On September 29, 2020, Snapclarity was named as a defendant to an action commenced in the Ontario Superior Court of Justice by a former shareholder of Snapclarity and companies she purports to control ("Plaintiff") (the "Action"). The nature of the Action involves various intellectual property, wrongful dismissal, unpaid invoices, defamation, and other related issues raised by the Plaintiff. The Plaintiff seeks payment of at least $928 plus costs and interest as well as non-monetary relief. Snapclarity disputes the claim in its entirety. The Company is of the view that its defenses to the claims will prevail without liability to the Company; however, an estimate of the liability to the Company should the Plaintiff's claims succeed is $150 and therefore an accrual for that amount as a contingent liability has been recorded.

On December 21, 2020, Snapclarity was named as a respondent to an application commenced in the Ontario Superior Court of Justice by a former shareholder of Snapclarity ("Applicant") (the "Application"). In the Application, the Applicant exercises her dissent rights under s. 190(5) of the CBCA. She seeks an order fixing the fair value of her shares in Snapclarity and requiring Snapclarity to pay the value of the shares together with costs and interest. The applicant has claimed that the fair value of her shares totals at least $1,850. Snapclarity disputes this claim. On February 23, 2021, Snapclarity filed a Notice of Motion for an order converting the Application into an Action and consolidating the Actions. The applicant has not responded to the Notice of Motion as of this date.

In the Action, Snapclarity sought an injunction enjoining the former shareholder from, among other things, competing against Snapclarity. The injunction was not granted and Snapclarity must pay costs of $150 to the former shareholder as a result.