CloudMD Software & Services Inc.

(formerly Premier Health Group Inc.)

Consolidated Financial Statements

For the year ended December 31, 2019 and 2018

(Expressed in Canadian dollars)

CloudMD Software & Services Inc.
(formerly Premier Health Group Inc.)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of CloudMD Software & Services Inc. (formerly, Premier Health Group Inc.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CloudMD Software & Services Inc. (formerly, Premier Health Group Inc.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of net loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficiency), and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's Discussion and Analysis report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mickey Goldstein.

Buckley Dodds LLP

Vancouver, Canada
May11, 2020

Buckley Dodds LLP
Chartered Professional Accountants

CLOUDMD SOFTWARE & SERVICES INC.
(formerly Premier Health Group Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at

		December 31, 2019		December 31, 2018
ASSETS				
Current Assets				
Cash	**$**	**1,696,402**	$	1,055,543
Accounts receivable *(Note 5)*		**259,821**		113,387
Deposits *(Note 6)*		**326,554**		700,000
Marketable securities *(Note 7)*		**1**		1
Due from related parties *(Notes 17, 20)*		**-**		43,001
Convertible note receivable *(Notes 17, 20)*		**-**		220,000
Inventory *(Note 8)*		**761,104**		-
Prepaid expenses *(Note 9)*		**341,746**		245,279
Total current assets		**3,385,628**		2,377,211
Deposits – long term *(Note 6)*		**125,000**		-
Property and equipment *(Note 10)*		**228,196**		94,547
Right-of-use assets *(Note 16)*		**2,380,228**		-
Other non-current assets		**12,860**		-
Intangible assets *(Note 11)*		**2,096,665**		-
Goodwill *(Note 11)*		**9,497,677**		3,951,570
Total Assets	**$**	**17,726,254**	$	6,423,328
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(Note 12)*	**$**	**943,434**	$	627,333
Other current liabilities *(Note 13)*		**877,250**		-
Current portion of long-term debt *(Note 14)*		**294,797**		-
Lease liability current portion *(Note 16)*		**459,386**		-
Convertible debenture *(Note 15)*		**-**		1,451,786
Liabilities from discontinued operations *(Note 20)*		**-**		139,372
Total current liabilities		**2,574,867**		2,218,491
Lease liability non-current portion *(Note 16)*		**1,978,799**		-
Long-term debt *(Note 14)*		**1,931,304**		-
Total Liabilities		**6,484,970**		2,218,491
SHAREHOLDERS' EQUITY				
Share capital *(Note 18)*		**16,791,884**		8,047,100
Equity component of convertible debenture		**-**		880,845
Reserves		**2,284,539**		865,014
Accumulated other comprehensive loss		**-**		(406,782)
Deficit		**(7,835,139)**		(5,181,243)
Deficiency attributable to shareholders of the Company		**11,241,284**		4,204,934
Non-controlling interest		**-**		(97)
Total equity		**11,241,284**		4,204,837
Total liabilities and shareholders' equity	**$**	**17,726,254**	$	6,423,328

Nature of operations and going concern *(Note 1)*
Subsequent events *(Note 25)*

Approved and authorized for issuance by the Board of Directors on May 11, 2020

"Essam Hamza"	***"Amit Mathur"***
Essam Hamza, CEO, Director	Amit Mathur, President, Director

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

CLOUDMD SOFTWARE & SERVICES INC.
(formerly Premier Health Group Inc.)
Consolidated Statements of Net Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the years ended

		December 31, 2019		December 31, 2018
REVENUE *(Note 4)*	**$**	**6,769,433**	$	1,201,548
PHYSICIAN FEES		**(2,155,855)**		(887,398)
COST OF GOODS SOLD		**(1,574,192)**		-
GROSS PROFIT		**3,039,386**		314,150
EXPENSES				
Accretion and interest expense on convertible debt *(Notes 15, 17)*		**86,330**		315,582
Bank charges and interest expense		**122,825**		1,126
Management fees *(Note 17)*		**-**		36,000
Marketing and advertising		**996,323**		710,246
Office and administration *(Note 17)*		**534,140**		131,509
Professional fees		**535,253**		176,788
Rent on short term leases *(Note 17)*		**57,606**		68,785
Research and development		**150,250**		-
Transfer agent and regulatory fees		**29,332**		40,725
Wages and salaries (*Note 17*)		**2,812,215**		408,221
Amortization *(Notes 10, 11, 16)*		**545,821**		14,550
Stock-based compensation (*Notes 17, 18*)		**1,755,730**		865,014
		7,625,825		2,768,546
		(4,586,439)		(2,454,396)
Foreign exchange gain (loss)		**37,819**		(142,719)
Loss on sale of capital assets		**(6,047)**		-
Loss from discontinued operations *(Note 20)*		**(163,192)**		(86,247)
Net loss for the year	**$**	**(4,717,859)**	$	(2,683,362)
Net income (loss) attributable to:				
Shareholders of the Company	**$**	**(4,717,859)**	$	(2,683,353)
Non-controlling interest		**-**		(9)
	$	**(4,717,859)**	$	(2,683,362)
Other comprehensive income (loss):				
Foreign currency translation	**$**	**-**	$	(7,672)
Other comprehensive income (loss)	**$**	**-**	$	(7,672)
Total comprehensive loss for the year	**$**	**(4,717,859)**	$	(2,691,034)
Other comprehensive income (loss) attributable to:				
Shareholders of the Company	**$**	**-**	$	(7,675)
Non-controlling interest		**-**		3
	$	**-**	$	(7,672)
Total comprehensive loss attributable to:				
Shareholders of the Company	**$**	**(4,717,859)**	$	(2,691,028)
Non-controlling interest		**-**		(6)
	$	**(4,717,859)**	$	(2,691,034)
Basic and diluted loss per common share	**$**	**(0.07)**	$	(0.06)
Weighted average number of common shares outstanding		**71,965,750**		46,249,456

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

CLOUDMD SOFTWARE & SERVICES INC.
(formerly Premier Health Group Inc.)
Consolidated Statements of Changes in Shareholders’ Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of outstanding shares	**Share capital**	**Equity component of convertible**	**Share-based payment reserve**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Non-controlling interest**	**Total**
Balance, December 31, 2017	34,944,031	$ 1,057,100	$ 880,845	$ -	$ (399,107)	$ (2,497,890)	$ (91)	$ (959,143)
Shares issued for cash	14,220,000	3,555,000	-	-	-	-	-	3,555,000
Shares issued for acquisition of HealthVue	12,000,000	3,000,000	-	-	-	-	-	3,000,000
Shares issued for marketing and advertising	500,000	435,000	-	-	-	-	-	435,000
Stock-based compensation	-	-	-	865,014	-	-	-	865,014
Currency translation adjustment	-	-	-	-	(7,675)	-	3	(7,672)
Net loss for the year	-	-	-	-	-	(2,683,353)	(9)	(2,683,362)
Balance, December 31, 2018	**61,664,031**	**$ 8,047,100**	**$ 880,845**	**$ 865,014**	**$ (406,782)**	**$ (5,181,243)**	**$ (97)**	**$ 4,204,837**
Shares issued for acquisition of Cloud Practice	3,947,368	2,325,964	-	-	-	-	-	2,325,964
Shares issued for acquisitions of Pharmacies	3,432,384	714,981	-	-	-	-	-	714,981
Shares issued for services	510,000	178,500	-	-	-	-	-	178,500
Private placements	8,984,687	4,527,547	-	-	-	-	-	4,527,547
Share issuance cost	-	(244,163)		-	-	-	-	(244,163)
Agent warrants issued	-	(109,251)	-	109,251	-	-	-	-
Exercise of options	2,200,000	1,145,456	-	(445,456)	-	-	-	700,000
Stock-based compensation	-	-	-	1,755,730	-	-	-	1,755,730
Sale of Clinicas	475,000	205,750	(880,845)	-	406,782	2,063,963	97	1,795,747
Currency translation adjustment	-	-	-	-	-	-	-	-
Net loss for the year	-	-	-	-	-	(4,717,859)	-	(4,717,859)
Balance, December 31, 2019	**81,213,470**	**$ 16,791,884**	**$ -**	**$ 2,284,539**	**$ -**	**$ (7,835,139)**	**$ -**	**$ 11,241,284**

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

CLOUDMD SOFTWARE & SERVICES INC.
(formerly Premier Health Group Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
As at

For the Year Ended		**December 31, 2019**		December 31, 2018
Cash provided by (used in):				
Operating activities				
Net Gain (loss)	**$**	**(4,717,859)**	$	(2,683,362)
Item not involving cash				
Accretion on convertible debenture		44,174		149,913
Interest on Lease Liabilities		57,873		-
Amortization		545,821		14,550
Loss from discontinued operations		163,192		-
Loss on sale of equipment		6,047		-
Unrealized foreign exchange (gain) loss		(28,312)		105,021
Stock-based compensation		1,755,730		865,014
Shares issued for marketing and advertising		178,500		435,000
Change in non-cash working capital components:				
Accounts receivable		16,968		(99,568)
Prepaid expenses		(73,469)		(236,792)
Inventory		26,428		-
Deposit		(125,000)		-
Accounts payable and accrued liabilities		64,036		100,302
Due from related parties		-		136,141
Net liabilities from discontinued operations		-		93,919
Net cash used in operating activities		**(2,085,871)**		(1,119,862)
Investing activities				
Business acquisitions		(2,322,998)		(999,967)
Cash received from acquisitions		114,190		323,108
Cash advances for subsequent acquisitions		(326,554)		(700,000)
Investment in franchise		(12,860)		-
Intangible Assets		(20,000)		-
Purchase of equipment		(21,404)		(3,187)
Sale of equipment		9,649		-
Net cash used in investing activities		**(2,579,977)**		(1,380,046)
Financing activities				
Proceeds from issuance of shares		4,527,547		3,555,000
Share issuance cost		(244,163)		-
Line of credit		809,752		-
Exercise of options		700,000		-
Lease payments made		(337,451)		-
Principle payment on loan		(5,235)		-
Principle payment on term loan		(143,743)		-
Net cash provided by financing activities		**5,306,707**		3,555,000
Increase in cash		**640,859**		1,055,092
Cash, beginning		**1,055,543**		451
Cash, ending	**$**	**1,696,402**	**$**	1,055,543
Cash paid for interest	**$**	64,952	$	-
Cash paid for income tax	**$**	-	$	-

For supplemental disclosures regarding cash flows, see Note 19

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

1. NATURE OF OPERATIONS AND GOING CONCERN

CloudMD Software & Services Inc (formerly, Premier Health Group Inc.). (the "Company") was incorporated on September 19, 2013 and is a reporting issuer in British Columbia, Canada.

On June 17, 2016, the Company completed the acquisition (99.9%) of a multidisciplinary rehabilitation business located in Santiago, Dominican Republic Premier named Clinicas de Rehabilitacion Precer, S. R. L. ("Clinicas"). As at December 31, 2018 and 2017, Clinicas was considered to be a discontinued operation. On April 1, 2019, the Company entered into a settlement agreement with the Company's former CEO, who is also the former sole shareholder of Clinicas, to complete the full transfer of the Company's 99.9% ownership of Clinicas and the forgiveness of the convertible debenture held by the former CEO issued on the original purchase of 99.9% of Clinicas *(Notes 15, 20).*

On August 1, 2018, the Company completed the acquisition of all the issued and outstanding shares of HealthVue Ventures Ltd. ("HealthVue") *(Note 3).* HealthVue provides telemedicine visits remotely and full-service family practice activities from its multiple clinic locations throughout the Lower Mainland in British Columbia.

On January 28, 2019, the Company completed the acquisition of all the issued and outstanding shares of Cloud Practice *(Note 3).* Cloud Practice is a technology company that offers cloud-based electronic medical records software, medical billing software and an online patient portal for medical clinics using a software as a service ("SAAS") model. Cloud Practice services over 376 clinics across Canada, 3000 doctors and has approximately 3 million patient charts in their database.

On July 17, 2019, the Company completed the acquisition of all the issued and outstanding shares of two pharmacies based in Metro Vancouver, B.C. (the "Pharmacies") *(Note 3).* In addition to the retailing of prescription drugs, over-the-counter drugs, and other front store items, the Pharmacies provide clinical services like medical reviews and compounding services.

The Company is focused on innovative health care approaches that combine human skill-based expertise with emerging technologies. The Company, in conjunction with its subsidiary Cloud Practice, is developing proprietary technologies to deliver quality healthcare through the combination of connected primary care clinics, telemedicine, and an artificial intelligence (AI) enabled patient portal.

The address of the Company's corporate office is 810-789 West Pender Street, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared using International Financial Reporting Standard ("IFRS") on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. During the year ended December 31, 2019, the Company had net loss of $4,717,859 (December 31, 2018 – $2,683,362 loss) and as at December 31, 2019 had an accumulated deficit of $7,835,139 (December 31 2018 – $5,181,243) which has been funded primarily by equity financings and loans from non-related parties. As at December 31, 2019, the Company had a working capital balance of $810,761. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

There is uncertainty as to the likely effects of the novel coronavirus ("COVID-19") outbreak which may, among other things, impact the Company's operations and ability to raise further financing (see *Note 25).* Management has assessed that the Company's working capital is sufficient for it to continue as a going concern beyond one year. The Company also closed a brokered financing for gross proceeds of approximately $3 million in March 2020. *(Note 25).*

1. NATURE OF OPERATIONS AND GOING CONCERN (*continued…*)

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The effect of any such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly controlled subsidiaries, HealthVue Ventures Ltd. (Canada) ("HealthVue"); Cloud Practice Inc. (Canada) ("Cloud Practice"); Cloverdale Pharmacy Ltd.; and Steveston Health Centre Ltd. (Canada) (the later two are collectively called the "Pharmacies"). All inter-company transactions and balances have been eliminated on consolidation.

b) Basis of Presentation

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the parent Company, and its subsidiaries. These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information.

c) Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

(i) Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company, and its subsidiaries, has been determined to be the Canadian dollar.

2. SIGNIFICANT ACCOUNTING POLICIES (*continued…)*

c) Significant Accounting Judgments and Estimates (*continued…*)

(ii) Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-Based Payments

Estimating fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred Tax Assets & Liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful Life of Property and Equipment, and Intangible Assets

Property and equipment, and intangible assets are depreciated over their estimated useful lives. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

Inventory Obsolescence

The Company estimates the amount of inventory on hand that may not be recoverable and will allow for a write down of such amounts.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

2. SIGNIFICANT ACCOUNTING POLICIES (*continued…)*

c) Significant Accounting Judgments and Estimates (*continued…*)

(ii) Key Sources of Estimation Uncertainty *(continued…)*

Allowance for Doubtful Accounts

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgement and includes the renew of individual receivables based on individual customers, current economic trends and analysis of historical bad debts.

d) Cash

Cash is comprised of cash held at major financial institutions.

e) Inventory

Inventories are valued at the lower of cost and net realizable value, with cost determined based on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Inventories include the cost of materials purchased, as well as other costs required to bring the inventories to their present location and condition.

f) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Amortization is provided at rates calculated to write off the cost of property and equipment, less its estimated residual value, using the rates and methods below:

Furniture and equipment	20% - declining balance
Computers	55% - declining balance
Software	55% - declining balance
Leasehold improvements	5 years - straight-line

In the year of acquisition and disposal, the Company records half of the amortization expense.

g) Intangible Assets

All intangible assets acquired by the Company through business acquisitions are recorded at fair value on the date of acquisition. Intangible assets that have indefinite lives are measured at cost less accumulated impairment losses. Intangible assets that have finite useful lives are subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are comprised of brand recognition, technology platforms and customer relationships, which are amortized on a straight-line basis over 10 years. Amortization rates are reviewed annually to ensure they are aligned with estimates of the remaining economic useful lives of the associated intangible assets.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

h) Business Combinations and Goodwill

Business combinations are accounted for by applying the acquisition method, whereby assets obtained, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquired business are measured at fair value at the date of acquisition. The acquired business' identifiable assets, liabilities and contingent liabilities that meet the recognition criteria under IFRS 3, Business Combinations are recognized at their fair values at the acquisition date, except for deferred tax assets and liabilities which are measured in accordance with IAS 12, Income Taxes, and non-current assets which are classified as held-for-sale in accordance with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, and are recognized and measured at fair value, less costs to sell. To the extent the fair value of consideration paid exceeds the fair value of the net identifiable tangible and intangible assets, goodwill is recognized. To the extent the fair value of consideration paid is less than the fair value of net identifiable tangible and intangible assets, the difference is recognized in income immediately as a gain on bargain purchase. Goodwill is subsequently measured at cost less accumulated impairment losses. Acquisition costs associated with business combination activities are expensed in the period incurred.

i) Impairment

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

For the purposes of impairment testing, long-lived assets are allocated to cash-generating units to which the operating activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

j) Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial assets and liabilities are classified as follows:

Asset or Liability	Classification
Cash	FVTPL
Accounts receivable	Amortized cost
Deposits	Amortized cost
Marketable securities	FVTPL
Due from related parties	Amortized cost
Convertible note receivable	Amortized cost
Accounts payable	Amortized cost
Other current liabilities	Amortized cost
Convertible debenture	Amortized cost
Liabilities from discontinued operation	FVTPL
Long-term debt	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

j) <u>Financial Instruments</u> *(continued…)*

(ii) Measurement *(continued…)*

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

k) Revenue Recognition

The Company recognizes revenue when it has persuasive evidence of a contract, performance obligations have been identified and satisfied, payment items have been identified, and it is probable that the Company will collect the consideration it is entitled to.

The Company recognizes revenue from the rendering of independent medical assessments, patient services, and from the sale of medical software services using a SAAS model based in the accounting period in which the services are rendered and assessed on the basis of the actual service provided as a proportion of the total services to be provided. The Company also recognizes revenue from the sale of pharmaceutical and front store products based in the accounting period in which the goods are sold for the amount it expects to receive when control is transferred to the purchaser.

l) Earnings/(Loss) Per Share

Basic earnings/(loss) per share is computed by dividing the income/(loss) for the period from continuing operations by the weighted average number of common shares outstanding during the period. Contingently returnable escrow shares are removed from the calculation.

For diluted per share computations, assumptions are made regarding potential common shares outstanding during the period. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the period, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the period, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

m) Share-Based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

n) Income Taxes

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

o) Foreign Currency Translation

The functional currency of the Company, and its subsidiaries is the Canadian Dollar. The presentation currency of the consolidated financial statements is the Canadian Dollar.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the year in which the operation is disposed.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

p) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity (deficiency) as accumulated other comprehensive income (loss).

q) Non-Controlling Interest

Non-controlling interest is measured at its proportionate share of the acquiree's identifiable net assets or liabilities. Net income or loss and comprehensive income or loss for the period are allocated between non-controlling interest and shareholders of the parent. Non-controlling interest in subsidiaries must be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

r) Reclassification

Certain prior period's amounts have been reclassified to conform to the current year's presentation.

s) New Accounting Policies: IFRS 16 - Leases.

On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16"). This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. The Company has assessed the impact of this change, which will result in the reclassification of the Company's leases of its rental properties as financing leases. The Company choose to apply the effect of changes using the modified retrospective approach, the simplified transition approach, without restating comparative amounts for the year 2018, with the cumulative effect of initially applying the standards recognized at the date of initial application which is January 1, 2019 *(Note 16).* The right-of-use assets are measured on adoption at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to the lease recognized in the statement of financial position at adoption.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued…)*

s) **New Accounting Policies: IFRS 16 – Leases** ***(continued…)***

The following is the Company's new accounting policy for leases under IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A right-of-use asset and lease liability is recognized at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, including periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the implicit interest rate in the lease. If the rate cannot be readily determined, the Company's incremental rate of borrowing is used. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

If a right-of-use asset is re-leased, the corresponding right-of-use asset is derecognized and an investment asset is recorded at the present value of the lease income not paid at the commencement date discounted using the implicit rate in the lease or the Company's incremental rate of borrowing

t) Standards Issued but not yet Effective

Other accounting standards and amendments to existing accounting standards that have been issued and have future effective dates are not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

3. BUSINESS ACQUISITIONS

HealthVue Ventures Ltd.

On August 1, 2018, the Company completed the acquisition of all of the issued and outstanding shares of HealthVue. HealthVue provides telemedicine visits remotely and full-service family practice activities from its multiple clinic locations throughout the Lower Mainland in British Columbia. Pursuant to the acquisition agreement, the Company issued 12,000,000 common shares of the Company and $999,967 cash payment to the former owners of HealthVue.

The acquisition of HealthVue by the Company is considered to be a business combination. Pursuant to the business combination transactions, the asset acquired from the acquisition is to be recorded at their estimated fair values in accordance with IFRS 3 – Business Combination. The allocation of the purchase consideration is as follows:

Purchase price		
Fair value of common shares issued (12,000,000 at $0.25 per share)	$	3,000,000
Cash paid		999,967
Total consideration paid	$	3,999,967
Allocated as follows:		
Cash	$	323,108
Accounts receivable		2,603
Prepaid expenses		8,487
Property and equipment *(Note 10)*		105,910
Accounts payable		(391,711)
Net assets acquired		48,397
Goodwill acquired *(Note 11)*	$	3,951,570

(Expressed in Canadian Dollars)

3. BUSINESS ACQUISITIONS *(continued…)*

Cloud Practice Inc.

On January 28, 2019, the Company completed the acquisition of all of the issued and outstanding shares of Cloud Practice. Cloud Practice provides cloud-based electronic medical records software and other medical applications using a SAAS model. Pursuant to the acquisition agreement, the Company issued 3,947,368 common shares of the Company and paid $2,000,000 cash payment to the former owners of Cloud Practice as follows:
(i) $500,000 paid on December 5, 2018, (ii) $500,000 paid on January 28, 2019, (iii) $500,000 paid on April 1, 2019, (iv) $500,000 paid on June 5, 2019.

The acquisition of Cloud Practice by the Company is considered to be a business combination. Pursuant to the business combination transactions, the asset acquired from the acquisition is to be recorded at their estimated fair values in accordance with IFRS 3 – Business Combination. The allocation of the purchase consideration is as follows:

Purchase price:		
Fair value of common shares issued (3,947,368 at $0.59 per share)	$	2,325,964
Cash paid		2,000,000
Total consideration paid	$	4,325,964
Allocated as follows:		
Cash		107,092
Accounts receivable		3,149
Prepaid expenses		11,008
Property and equipment *(Note 10)*		6,748
Customer relationship *(Note 11)*		260,000
Technology platforms *(Note 11)*		885,000
Accounts payable		(90,272)
Net assets acquired		1,182,725
Goodwill acquired *(Note 10)*	$	3,143,239

(Expressed in Canadian Dollars)

3. BUSINESS ACQUISITIONS *(continued…)*

Pharmacies

On July 17, 2019, the Company completed the acquisition of all of the issued and outstanding shares of two pharmacies based in Metro Vancouver, B.C. Pursuant to the acquisition agreement, the Company issued 3,432,384 common shares of the Company, 343,926 performance share units of the Company (each performance share shall vest into one common share without any payment on July 31, 2020, if certain earnings milestones for the pharmacies are met), and paid $1,022,998 cash payment to the former owners of the Pharmacies.

The acquisition of the two Pharmacies by the Company is considered to be a business combination. Pursuant to the business combination transactions, the asset acquired from the acquisition is to be recorded at their estimated fair values in accordance with IFRS 3 – Business Combination. The allocation of the purchase consideration is as follows:

Purchase price:		
Fair value of common shares issued (3,432,384 at $0.21 per share)	$	714,981
Cash paid		1,022,998
Total consideration paid	$	1,737,979
Allocated as follows:		
Cash		7,098
Accounts receivable		160,253
Prepaid expenses		19,518
Property and equipment *(Note 10)*		165,616
Inventory		787,532
Customer relationships *(Note 11)*		1,088,000
Accounts payable		(450,329)
Long term debt		(2,442,577)
Net assets acquired		(664,889)
Goodwill acquired *(Note 11)*	$	2,402,868

4. REVENUE

The following table shows a breakdown of revenue for the years ended December 31, 2019 and December 31, 2018

		December 31, 2019		December 31, 2018
Clinic services and pharmacies	$	5,417,508	$	1,201,548
SAAS model digital services		1,351,925		-
Total revenue	$	6,769,433	$	1,201,548

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

		December 31, 2019		December 31, 2018
Trade receivables	$	208,195	$	197,444
GST receivable		55,818		25,340
Allowance for doubtful account		(11,990)		(93,792)
Receivables from discontinued operations		-		(15,605)
Other receivables		7,798		-
	$	259,821	$	113,387

6. DEPOSITS

Short-term deposits consist of the following:

		December 31, 2019		December 31, 2018
Deposit on the acquisition of Cloud Practice	$	-	$	700,000
Deposit for the acquisition of Livecare *(Note 25)*		326,554		-
	$	326,554	$	700,000

As at December 31, 2019, the Company had paid a deposit of $125,000 to an inventory supplier, to be returned at the discretion of the supplier.

7. MARKETABLE SECURITIES

The Company owns 4,000,000 shares of Moag Copper Gold Resources Inc. (“MOG”). The shares were acquired in exchange for 20,000,000 common shares of the Company. MOG shares were under ceased trading order as at December 31, 2019 and December 31, 2018, and therefore, the Company has valued the investments in MOG shares at $1.

8. INVENTORY

Inventory consists of the following:

		December 31, 2019		December 31, 2018
Pharmaceuticals - prescription	$	364,540	$	-
Pharmaceuticals – over the counter		88,015		-
Other inventory		308,549		-
	$	761,104	$	-

(Expressed in Canadian Dollars)

9. PREPAID EXPENSES

Prepaid expenses consist of the following:

	December 31, 2019	December 31, 2018
Prepaid professional and consulting fees	$ 206,668	$ 11,700
Prepaid marketing and advertising	50,001	217,500
Prepaid rent	47,194	13,840
Prepaid insurance and licenses	19,716	1,693
Miscellaneous	18,167	546
	$ 341,746	$ 245,279

10. PROPERTY AND EQUIPMENT

	Equipment	Computers	Software	Leasehold improvement	Total
Cost					
December 31, 2017	$ -	$ -	$ -	$ -	$ -
Acquisition of HealthVue *(Note 3)*	32,720	18,927	497	53,766	105,910
Additions	1,806	1,381	-	-	3,187
December 31, 2018	34,526	20,308	497	53,766	109,097
Acquisition of Cloud Practice *(Note 3)*	2,795	3,953	-	-	6,748
Acquisition of the Pharmacies *(Note 3)*	128,696	4,283	-	32,638	165,616
Additions	5,321	16,083	-	-	21,404
Disposals	(3,571)	(12,531)	(497)	(5,717)	(22,316)
Balance at December 31, 2019	$ 167,766	$ 32,096	$ -	$ 80,687	$ 280,549
Accumulated Amortization					
December 31, 2017	$ -	$ -	$ -	$ -	$ -
Amortization	3,272	5,765	137	5,376	14,550
December 31, 2018	3,272	5,765	$ 137	$ 5,376	$ 14,550
Amortization	19,540	11,339	99	13,445	44,423
Disposals	(680)	(4,561)	(236)	(1,143)	(6,620)
Balance at December 31, 2019	$ 22,132	$ 12,543	$ -	$ 17,678	$ 52,353
Net Book Value					
December 31, 2018	$ 31,254	$ 14,543	$ 360	$ 48,390	$ 94,547
December 31, 2019	$ 145,634	$ 19,553	$ -	$ 63,009	$ 228,196

(Expressed in Canadian Dollars)

11. GOODWILL AND INTANGIBLE ASSETS

Goodwill consists of the following as at December 31, 2019 and 2018:

		December 31, 2019		December 31, 2018
Acquisition of HealthVue *(Note 3)*	$	3,951,570	$	3,951,570
Acquisition of Cloud Practice *(Note 3)*		3,143,239		-
Acquisition of the Pharmacies *(Note 3)*		2,402,868		-
	$	9,497,677	$	3,951,570

The Company assessed goodwill as at December 31, 2019 and 2018, and determined that there was no impairment necessary.

Intangible assets consist of the following as at December 31, 2019 and 2018:

		Customer lists		Customer relationships		Technology platforms		Total
Cost								
December 31, 2018, and 2017	$	-	$	-	$	-	$	-
Acquisition of Cloud practice *(Note 3)*		-		260,000		885,000		1,145,000
Acquisition of the Pharmacies *(Note 3)*		-		1,088,000		-		1,088,000
Additions		20,000		-		-		20,000
Balance at December 31, 2019	$	20,000	$	1,348,000	$	885,000	$	2,253,000
Accumulated Amortization								
December 31, 2018	$	-	$	-	$	-	$	-
Amortization		838		73,785		81,712		156,335
Balance at December 31, 2019	$	838	$	73,785	$	81,712	$	156,335
Net Book Value								
December 31, 2018	$	-	$	-	$	-	$	-
December 31, 2019	$	19,162	$	1,274,215	$	803,288	$	2,096,665

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2019		December 31, 2018
Accounts payables *(Note 17)*	$	648,374	$	392,832
Accrued liabilities		242,942		82,020
Other payables		52,118		-
Interest payable on convertible debentures *(Note 17)*		-		241,120
Accounts payables from discontinued operations		-		(88,639)
	$	943,434	$	627,333

(Expressed in Canadian Dollars)

13. OTHER CURRENT LIABILITIES

	December 31, 2019	December 31, 2018
Pharmacy line of credit, with an interest rate of prime plus 0.75% per annum	$ 809,752	$ -
Loan payable to landlord of a subsidiary, at an interest rate of 6% per annum	67,498	-
	$ 877,250	$ -

14. LONG TERM DEBT

As part of the acquisition of the two Pharmacies *(Note 3),* effective July 17, 2019, the Company assumed an asset and capital financing with a Canadian chartered bank for a total of $2,369,844. The purpose of this loan was to pay out existing term debt held by the previous owner. The loan is broken down into 3 segments and bears interest calculated monthly in arrears, and payable monthly. The financing is secured on a first priority basis account on all accounts receivable, inventory, and machinery & equipment of the Pharmacies. During the year ended December 31, 2019, the Company made principal payments of $143,743.

	December 31, 2019	December 31, 2018
Loan segment 'a' bears a fixed interest rate of 3.35% payable monthly, has an amortization period of 10 years, and an original payment term of 5 years ending on October 31, 2021.	$ 1,796,595	$ -
Loan segment 'b' bears a fixed interest rate of 3.20% payable monthly, has an amortization period of 10 years, and an original payment term of 5 years ending on October 31, 2020	214,460	-
Loan segment 'c' bears a fixed interest rate of 3.14% payable monthly, has an amortization period of 10 years, and an original payment term of 5 years ending on October 31, 2019. Subsequent to September 30, 2019, loan segment 'c' was renewed for a 2-year term ending October 31, 2021, at a fixed interest rate of 3.97%.	215,046	-
	$ 2,226,101	$ -
Less: current portion	294,797	
Long term portion	$ 1,931,304	$ -

(Expressed in Canadian Dollars)

15. CONVERTIBLE DEBENTURE

During the year ended December 2016, the Company issued a convertible debenture to the former sole shareholder of Clinicas, who was also a director of the Company. The debenture had a face value of $1,931,700 (US$1,500,000) which was to mature on June 21, 2021 (the "Maturity Date"). The debenture accrued interest at a rate of 8.5% per annum, calculated and paid annually. At the option of the debenture holder, the debenture could be converted at any time prior to the Maturity Date in whole into common shares of the Company at a price of $0.25 per common share.

On issuance, $880,845, attributed to the equity conversion features of the debenture was classified as an equity component of the convertible debenture. The debt component (calculated using an effective interest rate of 26.6%) was accreted systematically to its face value over the term of the note by the recording of additional accretion expense. $44,174 accretion, and $42,156 interest was recorded as expense for the year ended December 31, 2019 (2018 – accretion and interest of $315,582).

On April 1, 2019, a settlement agreement was entered to complete the full transfer of the Company's 99.9% ownership of Clinicas and the forgiveness of the convertible debenture issued on the original purchase of 99.9% of Clinicas. Since this debt was forgiven on April 1, 2019, as at December 31, 2019, the convertible debenture and its equity component of $880,845 are no longer outstanding *(Note 20)*.

16. LEASES

The Company leases various office, clinic, and pharmacy spaces for its operations. On adoption of IFRS 16 at January 1, 2019, the Company recognized $393,970 in lease liability in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. Right-of-use assets were measured at an amount equal to the lease liability. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Management also used hindsight when determining the lease term if the contract contained an option to extend or terminate the lease. These assets and liabilities were measured at the present value of the remaining lease payments plus anticipated exercise of renewal options, discounted using the incremental borrowing rates as of January 1, 2019, which were estimated to be 4.15%.

Right-of-use assets

The Company's right-of-use assets as at December 31, 2019 are as follows:

		Total
Cost		
Balance as at January 1, 2019	$	401,498
Additions due to acquisition of Cloud Practice		370,634
Additions due to acquisition of Pharmacies		1,953,159
Balance at December 31, 2019		2,725,291
Accumulated Amortization		
January 1, 2019	$	-
Amortization		345,063
Balance at December 31, 2019	$	345,063
Net book value: January 1, 2019	$	401,498
Net book value: December 31, 2019	**$**	**2,380,228**

(Expressed in Canadian Dollars)

16. LEASES (continued…)

Lease liability

The Company's lease liability as at December 31, 2019 is as follows:

		December 31, 2019
Lease liability current	$	459,386
Lease liability non-current		1,978,799
Total lease liability	$	**2,438,185**

Lease liability interest expense recognized in profit and loss and lease payments recognized in the financing component of statement of cash flows are as follows:

		Total
Balance as at January 1, 2019	$	393,970
Lease liability from Cloud Practice		370,634
Lease liability from Pharmacies		1,953,159
Interest expense		57,873
Less lease cash payments		(337,451)
Balance at December 31, 2019	**$**	**2,438,185**

As at December 31, 2019, the discounted payments under lease liabilities are as follows:

		Total
Less than one year	$	459,386
One to five years		1,064,046
More than five years		914,753
	$	2,438,185

17. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

		December 31, 2019		December 31, 2018
Management fees to the former CFO	$	-	$	36,000
Administration fees paid to a company owned by the former CFO		-		5,621
Rent paid to a company owned by the former CFO		-		5,621
Salaries paid to the CEO		240,000		120,000
Salaries paid to the CFO		100,000		25,000
Salaries paid to the COO		100,000		50,000
Consulting fees to the former CEO, included in loss from discontinued operations *(Note 20)*		-		16,518
Stock-based compensation to the CEO, CFO and COO		-		442,711
Accretion and interest expense on convertible debenture to the former CEO *(Note 15)*		86,330		315,582

17. RELATED PARTY TRANSACTIONS (continued…)

Other related party transactions and balances include the following:

- As at December 31, 2018, the Company had $43,001 due from the former CFO and a company owned by the former CFO. The former CFO was also a director of the Company as at December 31, 2019. This amount is non-interest bearing. This amount owing to the Company by the former CFO was assigned to the former CEO, as part of the settlement agreement entered on April 1, 2019 (Refer to *Note 20* for further details).

- As at December 31, 2018, the Company had $220,000 receivable from Explorinvest Capital Corp., a company partially owned by the former CFO of the Company. During the year ended December 31, 2018, this note was converted into a convertible promissory note, with accrued interest of 6.5% per annum, payable on April 1, 2019. The Company had the right to convert this promissory note at any time at $0.25 per share. This note owing to the Company was assigned to the former CEO, as part of the settlement agreement entered on April 1, 2019 (Refer to *Note 20* for further details).

- As at December 31, 2018, the Company had a convertible debenture valued at $1,451,786 to the former CEO. During the 12-month period ended December 31, 2019, $44,174 of accretion expense, and $42,156 of interest expense, for a total of $86,330 was recorded as accretion and interest expense (2018 - $315,582). As at December 31, 2018, $241,120 of accrued interest on this debentures was included in accounts payable and accrued liabilities. On April 1, 2019, a settlement agreement was entered to complete the full transfer of the Company's 99.9% ownership of Clinicas and the forgiveness of the convertible debenture issued on the original purchase of 99.9% of Clinicas. *(Notes 15, 20)*.

- As at December 31, 2019, included in accounts payable, is $Nil (2018 - $14,766) owing to directors of the Company.

- As at December 31, 2018, the company had $316,779 owing to the former CEO, which was included in net liabilities from discontinued operations. *(Note 20).* No amount is owing as at December 31, 2019.

18. SHARE CAPITAL

a) **Authorized:** unlimited common shares without par value

b) **Share Capital:** As at December 31, 2019, the issued share capital comprises 81,213,470 (December 31, 2018 – 61,664,031) common shares.

During the year ended December 31, 2019, the Company had the following share capital transactions:

- The Company issued 3,947,368 common shares with a fair value of $2,325,964 for the business acquisition of Cloud Practice. *(Note 3).*

- The Company issued 3,432,384 common shares with a fair value of $714,981 for the business acquisition of two pharmacies based in Metro Vancouver, B.C. *(Note 3).*

- On November 19, 2019, the Company announced the appointment of Dr. David Ostrow, MD as Chief Medical Officer and the addition of Mona Elesseily to its newly formed advisory board as a Digital Marketing Strategist. The Company issued an aggregate of 510,000 common shares in consideration for future services at a price of $0.35 per common share.

18. SHARE CAPITAL (continued…)

b) **Share Capital (continued…)**

- The Company completed a non-brokered private placement of 3,734,687 units for gross proceeds of \$2,427,547 (\$0.65 per unit). Each unit consisted of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$1.00 for two years from closing.

  In connection with this private placement, agents were paid cash commissions of \$108,163 and issued 161,520 agent's warrants. Each agent's warrant is exercisable into one additional common share at an exercise price of \$1.00 until April 26, 2021. The agent's warrants have a fair value equal to \$46,685 (see *Note 18 (c)* for further information on the fair value calculation).

- The Company closed a non-brokered private placement of 5,250,000 units for gross proceeds of \$2,100,000 (\$0.40 per unit). Each unit consisted of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.65 until September 30, 2021.

  In connection with this private placement, agents were paid cash commissions of \$136,000 and issued 340,000 agent's warrants. Each agent's warrant is exercisable into one additional common share at an exercise price of \$0.65 until September 30, 2021. The agent's warrants have a fair value equal to \$62,566 (see *Note 18 (c)* for further information on the fair value calculation).

- The Company issued 600,000 common shares at a price of \$0.50, for gross proceeds of \$300,000 through the exercise of options. The options had a fair value of \$147,570, which was removed from the share-based payment reserve into share capital.

- The Company issued 1,600,000 common shares at a price of \$0.25, for gross proceeds of \$400,000 through the exercise of options. The options had a fair value of \$297,886, which was removed from the share-based payment reserve into share capital

- The Company issued 475,000 common shares valued at 205,750, as part of the settlement agreement to complete the full transfer of the Company's 99.9% ownership of Clinicas and the forgiveness of the convertible debenture held by the former CEO issued on the original purchase of 99.9% of Clinicas (see *Note 20* for further information on the Settlement Agreement).

During the year ended December 31, 2018, the Company had the following share capital transactions:

- On July 25, 2018, the Company closed a non-brokered private placement of 14,220,000 common shares for gross proceeds of \$3,555,000 (\$0.25 per common share).

- On August 1, 2018, the Company issued 12,000,000 common shares at a price of \$0.25 for the business acquisition of HealthVue Ventures Ltd. *(Note 3)*

- On October 9, 2018, the Company issued 500,000 common shares for marketing and advertising expense valued at \$435,000 (\$0.87 per common share).

(Expressed in Canadian Dollars)

18. SHARE CAPITAL (continued…)

c) **Agent's Warrants**

During the year ended December 31, 2019, the Company issued a total of 501,250 agent's warrants in connection with its private placements, valued at $109,251 using the Black Scholes Option Pricing Model, with the following weighted average assumptions: volatility of 100%, expected life of 2 years, risk free interest rate of 1.52%, and a dividend yield of 0%.

The following is a summary of agent's warrants activities during the year ended December 31, 2019 and December 31, 2018:

	December 31, 2019		December 31, 2018	
	Number of Agent's Warrants	**Weighted Average Exercise Price $**	Number of Agent's Warrants	Weighted Average Exercise Price $
Balance outstanding beginning of year	-	-	-	-
Agent's warrants Issued	501,520	0.76	-	-
Balance outstanding end of year	**501,520**	**0.76**	-	-

As at December 31, 2019, the Company had the following agent's warrants outstanding, all of which are exercisable at December 31, 2019:

Outstanding	**Exercise Price $**	**Remaining Life (Years)**	**Expiry Date**
161,520	1.00	1.32	April 26, 2021
340,000	0.65	1.75	September 30, 2021
501,520		**1.61**	

d) **Shareholders' Warrants**

During the year ended December 31, 2019, the Company issued a total of 4,492,344 shareholders' warrants in connection with its private placements. These warrants have a fair value of $nil, valued using the residual value method.

The following is a summary of shareholders' *warrants activities during the year ended December 31, 2018 and year ending December 31, 2019:*

	December 31, 2019		December 31, 2018	
	Number of Shareholders' Warrants	**Weighted Average Exercise Price $**	Number of Shareholders' Warrants	Weighted Average Exercise Price $
Balance outstanding beginning of year	-	-	-	-
Shareholders' warrants Issued	4,492,344	0.80	-	-
Balance outstanding end of year	**4,492,344**	**0.80**	-	-

(Expressed in Canadian Dollars)

18. SHARE CAPITAL (continued…)

d) Shareholders' warrants (continued…)

As at December 31, 2019, the Company had the following shareholders' *warrants outstanding, all of which are exercisable at December 31, 2019:*

Outstanding	Exercise Price $	Remaining Life (Years)	Expiry Date
1,525,067	1.00	1.32	April 26, 2021
342,277	1.00	1.38	May 16, 2021
2,625,000	0.65	1.75	September 16, 2021
4,492,344	$0.80	**1.58**	

e) Escrow shares

As at December 31, 2019, the Company has 13,056,068 common shares held in escrow.

Escrow shares will be released as follows:

- 1,800,000 shares on January 1, 2020, and the same amount released each six months thereafter until the last 1,800,000 are released on August 1, 2021.
- 1,973,684 shares on January 28, 2020.
- 686,477 shares on January 17, 2020, and the same amount released each four months thereafter until the last 686,476 are released on May 17, 2021.
- 25,000 shares on January 16, 2020, and the same amount released each month thereafter until the last 25,000 are released on April 19, 2021.
- 5,000 shares on January 16, 2020, and the same amount released each month thereafter until the last 5,000 are released on October 19, 2020.

f) Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The following grants were made during the year ended December 31, 2019:

- On February 4, 2019, 300,000 options were granted to consultants of the Company, exercisable at $0.76 per share. The options vest 4 months after the grant and have a five-year expiry date from the date of grant. The fair value of the options at grant date was $181,116, of which $181,116 was recorded in the year ended December 31, 2019 based on vesting conditions.

18. SHARE CAPITAL (continued…)

f) **Stock options (continued…)**

- On February 4, 2019, 2,050,000 options were granted to employees of the Company, exercisable at \$0.76 per share. The options shall vest 25% every 6 months, commencing on August 4, 2019. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was \$1,237,623, of which \$916,026 was recorded in the year ended December 31, 2019 based on vesting conditions.

- On July 17, 2019, 200,000 options were granted to employees of the Company, exercisable at \$0.32 per share. The options shall vest 25% every 6 months, commencing on January 16, 2020. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was \$47,736, of which \$22,565 was recorded in the year ended December 31, 2019 based on vesting conditions.

- On August 20, 2019, 2,400,000 options were granted to consultants of the Company, exercisable at \$0.25 per share. The options vested immediately. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was \$446,829, of which \$446,829 was recorded in the year ended December 31, 2019 based on vesting conditions.

- On November 6, 2019, 300,000 options were granted to consultants of the Company, exercisable at \$0.40 per share. The options vested immediately. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was \$89,566, of which \$89,566 was recorded in the year ended December 31, 2019 based on vesting conditions.

The option pricing model used an average risk-free rate ranging from 1.27% and 1.8% with an average risk-free rate of 1.50%, estimated life of 5 years, volatility of 100% and dividend yield of 0%.

The following grants were made during the year ended December 31, 2018:

- On August 13, 2018, 3,200,000 options were granted to consultants and officers of the Company, exercisable at \$0.50 per share. The options vest 4 months after the grant and have a five-year expiry date from the date of grant. The fair value of the options at grant date was \$787,041, of which all was recorded in the year ended December 31, 2018 based on vesting conditions.

- On August 13, 2018, 800,000 options were granted to employees of the Company, exercisable at \$0.50 per share. The options shall vest 25% every 6 months, commencing on February 13, 2019. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was \$196,760, of which \$99,628 (\$77,973 in the year ended December 31, 2018) was recorded in the year ended December 31, 2019 based on vesting conditions.

The option pricing model used an average risk-free rate of 1.5%, estimated life of 5 years, volatility of 100% and dividend yield of 0%.

(Expressed in Canadian Dollars)

18. SHARE CAPITAL (continued…)

f) Stock options (continued…)

The following is a summary of option activities during the year ended December 31, 2019 and December 31, 2018, 2018:

	December 31, 2019		December 31, 2018	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Balance outstanding beginning of year	4,000,000	0.50	-	-
Options Granted	5,250,000	0.49	4,000,000	0.50
Options Cancelled	(1,800,000)	0.39		
Options Exercised	(2,200,000)	0.32	-	-
Balance outstanding end of year	**5,250,000**	**$ 0.60**	4,000,000	$ 0.50

As at December 31, 2019, the Company had the following stock options outstanding and exercisable:

Outstanding	**Exercisable**	**Exercise Price**	**Remaining Life (Years)**	**Expiry Date**
2,400,000	2,000,000	$0.50	3.62	August 12, 2023
2,350,000	812,500	$0.76	4.10	February 3, 2024
200,000	-	$0.32	4.55	July 16, 2024
300,000	300,000	$0.40	4.85	November 5, 2024
5,250,000	**3,112,500**		**3.94**	

19. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW

During the year ended December 31, 2019:

- The Company issued 510,000 shares valued at $178,500 for services
- The Company issued 3,947,368 shares valued at $2,325,964 for the acquisition of Cloud Practice
- The Company issued 3,432,384 shares valued at $714,981 for the acquisition of the Pharmacies
- The Company issued 501,520 agents warrants valued at $109,251 as share issuance costs
- The Company issued 475,000 shares valued at $205,750, as well as extinguished its convertible debt, and assigned over $263,001 in notes receivable, as part of its sale of Clinicas *(Note 20).*

During the year ended December 31, 2018:

- The Company issued 500,000 shares valued at $435,000 for marketing and advertising services
- The Company issued 12,000,000 shares valued at $3,000,000 for the acquisition of HealthVue

20. DISCONTINUED OPERATIONS

During the year ended December 31, 2018, the Company entered into a share purchase agreement (the "Purchase Agreement") with the Company's former CEO, who is also the former sole shareholder of Clinicas (the "Purchaser"). The Purchase Agreement was entered into as a prerequisite to entering into an acquisition agreement that would result in a change of control of the Company. The terms of the Purchase Agreement were as follows:

- The Company will transfer 51% of the shares of Clinicas to the Purchaser immediately on the closing date, and transfer the remaining 49% of the shares of Clinicas of when the Company has a satisfactory replacement assets in place to satisfy corporate law requirement to maintain a business undertaking at all time, as well as continue to qualify for Listing on the Canadian Securities Exchange.
- The Purchaser will forgive the convertible debenture of US$1,500,000 and all accrued interest proportionally to the shares of Clinicas transferred *(Note 15).*

This Purchase Agreement constituted a discontinued operation involving the loss of control of Clinicas by the Company as at December 31, 2018. During the year ended December 31, 2018, the Purchase Agreement was not executed. As a result, a subsequent settlement agreement was entered into on April 1, 2019 (the "Settlement Agreement"). As a result, all of the assets and liabilities of Clinicas were classified as held-for-sale as at December 31, 2018. This resulted in a net liability of $139,372 from discontinued operation as at December 31, 2018.

On April 1, 2019, the Company entered into the Settlement Agreement to complete the full transfer of the Company's 99.9% ownership of Clinicas and the forgiveness of the convertible debenture held by the former CEO issued on the original purchase of 99.9% of Clinicas.

As part of the Settlement Agreement, the Company completed the following:

- on April 1, 2019, as part of the settlement, the convertible debenture was forgiven. (*Note 15*),
- on April 1, 2019, the Company assigned to the Purchaser's company, Benras Holdings Inc., the following promissory notes as security for, and in full and final satisfaction of any amount owed by the Company to the Purchaser: (i) a promissory note dated February 20, 2018 plus interest owed to the Company by the former CFO and a company owned by the former CFO with an amount outstanding as at March 31, 2019 of $43,001, and (ii) a promissory note dated February 20, 2018 in the amount of $220,000 plus interest owed to the Company by Explorinvest Capital Corp., a company partially owned by the former CFO of the Company,
- the Company issued 475,000 common shares at a value of $205,750.

As at December 31, 2019, no amounts were owing with regards to the Settlement Agreement.

(Expressed in Canadian Dollars)

20. DISCONTINUED OPERATIONS (continued…)

Revenues and expenses from Clinicas are as follows:

	December 31, 2019	December 31, 2018
REVENUE	**$ 59,462**	$ 221,169
EXPENSES		
Advertising	**1,342**	12,639
Amortization	**12,853**	26,862
Leasehold improvements written off	**-**	8,242
Bank charges an interest	**5,791**	17,928
Consulting fees *(Note 17)*	**5,079**	16,518
Insurance	**2,032**	6,257
Office and administration	**8,820**	37,412
Professional fees	**4,886**	19,477
Rent	**12,672**	25,173
Repair and maintenance	**534**	2,908
Wages and related expenses	**27,600**	130,010
Other expense	**820**	3,990
Loss from settlement agreement	**140,225**	-
Loss from discontinued operations	**$ (163,192)**	$ (86,247)

21. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity (deficiency) as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach in its management of capital during the year.

22. FINANCIAL INSTRUMENTS

The Company's financial instrument consist of cash, accounts receivable, deposits, marketable securities, accounts payable, other current liabilities, and long-term debt.

The Company's cash and marketable securities are measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities. The Company's accounts receivable, accounts payable, and other current liabilities, have amortized costs that approximate their fair value due to their short terms to maturity. The Company's long-term debt, is measured at amortized cost, which approximates fair value.

The Company's risk exposures and the possible impact of these expenses on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As of December 31, 2019, the Company is exposed to credit risk to the extent that its clients become unable to meet their payment obligations. Trade receivables include amounts receivables from the sale of services and GST receivables.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2019, the Company did have sufficient cash on hand to meet its current liabilities but continues to need to source different methods of financing.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is insignificant.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and the majority of its transactions are in Canadian dollars. The Company's exposure to foreign currency risk is low.

c) Price risk

The Company is exposed to price risk with respect to equity prices, since the Company possesses investments in publicly traded securities. The Company closely monitors those prices to determine the appropriate course of action to be taken. The maximum exposure to the Company is the fair value of its marketable securities, which have been recorded at $1.

(Expressed in Canadian Dollars)

23. SEGMENTED INFORMATION

The Company operates in one industry, the healthcare industry, which is located in Canada and the Dominican Republic. As at April 1, 2019, the Company only has operations in Canada. Segmented geographical information is as follows:

Assets		Canada		Dominican Republic		Total
As at December 31, 2019	$	17,726,254	$	-	$	17,726,254
As at December 31, 2018	$	6,423,328	$	-	$	6,423,328
Revenue for the year ended:						
December 31, 2019	$	6,769,433	$	-	$	6,769,433
December 31, 2018	$	1,201,548	$	-	$	1,201,548
Net loss for the year ended:						
December 31, 2019	$	(4,717,859)	$	-	$	(4,717,859)
December 31, 2018	$	(2,597,115)	$	(86,247)	$	(2,683,362)

24. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		December 31, 2019		December 31, 2018
Gain (Loss) for the year	$	(4,717,859)	$	(2,683,362)
Computed income tax recovery at statutory rate of 27% (2018 – 26%)		(1,273,822)		(697,674)
Effect of taxes in foreign jurisdiction, and other		331,823		107,217
Permanent differences		468,947		243,457
Share issuance costs		(65,948)		-
Change in unrecognized deductible temporary differences		539,000		347,000
	$	-	$	-

(Expressed in Canadian Dollars)

24. INCOME TAX (continued…)

The significant components of the Company's deferred income tax assets, which have not been recognized are as follows:

	December 31, 2019	December 31, 2018
Deferred income tax assets (liabilities):		
Share issuance costs	$ 53,000	$ -
Debt with accretion	-	125,000
Non-capital losses carried forward	1,211,000	631,000
Marketable securities	54,000	52,000
Property and equipment	(6,000)	22,000
Intangible assets	42,000	-
Right of use asset	(643,000)	-
Lease liability	658,000	-
Total unrecognized deferred income tax assets	$ 1,369,000	$ 830,000

As at December 31, 2019, the Company had approximately $4,486,000 in non-capital losses which expire between 2021 and 2044.

Tax attributes are subject to review, and potential adjustment, by tax authorities

25. SUBSEQUENT EVENTS

- On January 9, 2020, the Company announced the appointment of Richard Atkins as Senior Vice-President of Sales.

- On January 10, 2020, the Company announced closing of the acquisition of Livecare Health Canada Inc. ("Livecare"). Livecare is a Canadian telehealth company founded and operated by physicians dedicated to giving patients access to quality, real-time healthcare, regardless of where they are located. Livecare offers digital technologies that connect doctors and allied health care providers to their patients via secure, encrypted, face-to-face video and messaging. In addition to its telemedicine platform, Livecare offers kindredPHR -- a personalized health record used for storing, managing, and sharing health information, thus enabling patients' access to manage their own care and share amongst their multiple health care providers.

  Under the terms of the agreement, in consideration for the purchase of all of the outstanding Livecare securities, CloudMD will: (i) assume all of the outstanding liabilities of Livecare and its wholly-owned subsidiary; and (ii) issue to the Livecare shareholders an aggregate of up to 4,500,000 common shares of the Company. The Consideration Shares will be subject to certain contractual restrictions on trading for a period of twenty-four months from the date of issuance.

- On January 14, 2020, the Company announced the appointment of Amit Mathur to the board of directors.

25. SUBSEQUENT EVENTS (continued…)

- On January 30, 2020, the Company entered into a settlement agreement to settle outstanding debt owed to a party by its wholly owned subsidiary, Livecare. Pursuant to the settlement agreement, the Company issued an aggregate of 1,500,000 common shares of the Company to settle an aggregate principal amount of $1,072,394.08 in debt.

- On February 4, 2020, the Company announced the appointment of Amit Mathur as President of the Company.

- On February 5, 2020, the Company launched CloudMD, its direct-to-consumer telemedicine application.

- On February 20, 2020, the Company changed its name from Premier Health Group Inc. to CloudMD Software & Services Inc. Additionally, the Company's trading symbol changed to "DOC" on February 24, 2020.

- On March 19, 2020, the Company announced the appointment of Mark Kohler as a director of the Company and announced the resignation of Donald Gordon as a director of the Company.

- On March 20, 2020, the Company closed the first tranche of a brokered private placement led by Gravitas Securities Inc. of 4,875,449 units for gross proceeds of $2,340,215 ($0.48 per unit). Each unit consisted of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.70 for a period of 24 months from the date of issuance of such warrant.

- On March 30, 2020, the Company closed the second tranche of a brokered private placement led by Gravitas Securities Inc. of 1,423,166 units for gross proceeds of $683,120 ($0.48 per unit). Each unit consisted of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.70 for a period of 24 months from the date of issuance of such warrant.

- In March 2020, the World Health Organization characterized the COVID-19 virus as a global pandemic. There is significant uncertainty as to the likely effects of this outbreak which may, among other things, impact the Company's supply chain of medical supplies and may negatively impact the capital markets, where the Company has raised equity in the past. At the current time, we are unable to quantify the potential impact this pandemic may have on our future financial statements.