CloudMD Software & Services Inc.

Condensed Consolidated Interim Financial Statements

For the three month period ended March 31, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

CloudMD Software & Services Inc.

(formerly Premier Health Group Inc.)

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

		March 31, 2020		December 31, 2019
ASSETS				
Current Assets				
Cash	**$**	**2,760,136**	$	1,696,402
Accounts receivable *(Note 5)*		**297,201**		259,821
Subscription receivable *(Note 18)*		**200,000**		-
Deposits *(Note 6)*		**-**		326,554
Marketable securities *(Note 7)*		**1**		1
Short-term investment		**25,000**		-
Inventory *(Note 8)*		**751,759**		761,104
Prepaid expenses *(Note 9)*		**751,667**		341,746
Total current assets		**4,785,764**		3,385,628
Deposits – long term *(Note 6)*		**125,000**		125,000
Property and equipment *(Note 10)*		**338,004**		228,196
Right-of-use assets *(Note 16)*		**2,257,295**		2,380,228
Other non-current assets		**12,860**		12,860
Intangible assets *(Note 11)*		**2,502,060**		2,096,665
Goodwill *(Note 11)*		**11,985,945**		9,497,677
Total Assets	**$**	**22,006,928**	$	17,726,254
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(Note 12)*	**$**	**1,788,712**	$	943,434
Other current liabilities *(Note 13)*		**1,067,783**		877,250
Deferred revenue		**12,276**		-
Current portion of long-term debt *(Note 14)*		**372,320**		294,797
Lease liability current portion *(Note 16)*		**465,925**		459,386
Contingent liabilities *(Note 3)*		**173,866**		-
Total current liabilities		**3,880,882**		2,574,867
Lease liability non-current portion *(Note 16)*		**1,870,132**		1,978,799
Long-term debt *(Note 14)*		**2,012,149**		1,931,304
Total Liabilities		**7,763,163**		6,484,970
SHAREHOLDERS' EQUITY				
Share capital *(Note 18)*		**20,783,944**		16,791,884
Reserves		**2,917,954**		2,284,539
Accumulated other comprehensive loss		**-**		-
Deficit		**(9,458,133)**		(7,835,139)
Total equity		**14,243,765**		11,241,284
Total liabilities and shareholders' equity	**$**	**22,006,928**	$	17,726,254

Nature of operations and going concern *(Note 1)*
Subsequent events *(Note 24)*

Approved and authorized for issuance by the Board of Directors on June 1, 2020

"Essam Hamza"
Essam Hamza, CEO, Director

"Amit Mathur"
Amit Mathur, President, Director

CLOUDMD SOFTWARE & SERVICES INC.
Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)
For the Three-Months Ended

		March 31, 2020		March 31, 2019
REVENUE *(Note 4)*	$	3,056,729	$	1,100,330
PHYSICIAN FEES		(881,199)		(648,752)
COST OF GOODS SOLD		(918,862)		-
GROSS PROFIT		1,256,668		451,578
EXPENSES				
Accretion and interest expense on convertible debt *(Notes 15, 17)*		-		86,330
Bank charges and interest expense		61,197		-
Marketing and advertising		323,525		682,474
Bad debt		998		-
Fines and penalties		675		-
Office and administration		235,455		105,210
Professional fees		365,593		90,665
Rent on short term leases		73,808		57,438
Transfer agent and regulatory fees		8,941		10,778
Wages and salaries (*Note 17*)		1,241,725		459,944
Amortization *(Notes 10, 11, 16)*		201,748		7,265
Stock-based compensation (*Notes 17, 18*)		445,403		316,932
		(2,959,068)		(1,817,036)
		(1,702,400)		(1,365,458)
Gain from settlement of debt *(Note 3)*		79,406		-
Foreign exchange gain (loss)		-		37,819
Loss from discontinued operations *(Note 20)*		-		(22,967)
Net loss for the period	$	(1,622,994)	$	(1,350,606)
Net income (loss) attributable to:				
Shareholders of the Company	$	(1,622,994)	$	(1,350,606)
Non-controlling interest		-		-
	$	(1,622,994)	$	(1,350,606)
Other comprehensive income (loss):				
Foreign currency translation	$	-	$	4,051
Other comprehensive income (loss)	$	-	$	4,051
Total comprehensive loss for the period	$	(1,622,994)	$	(1,346,555)
Other comprehensive income (loss) attributable to:				
Shareholders of the Company	$	-	$	4,051
Non-controlling interest		-		-
	$	-	$	4,051
Total comprehensive loss attributable to:				
Shareholders of the Company	$	(1,622,994)	$	(1,346,555)
Non-controlling interest		-		-
	$	(1,622,994)	$	(1,346,555)
Basic and diluted loss per common share	$	(0.02)	$	(0.02)
Weighted average number of common shares outstanding		84,575,085		64,536,662

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

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

	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, 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
Exercise of options	600,000		447,570		-		(147,570)		-		-		-		300,000
Stock-based compensation	-		-		-		316,932		-		-		-		316,932
Net loss for the period	-		-		-		-		-		(1,350,606)		-		(1,350,606)
Balance, March 31, 2019	**66,211,399**	**$**	**10,820,634**	**$**	**880,845**	**$**	**1,034,376**	**$**	**(406,782)**	**$**	**(6,531,848)**	**$**	**(97)**	**$**	**5,797,127**
Shares issued for acquisitions of Pharmacies	3,432,384		714,981		-		-		-		-		-		714,981
Shares issued for services	510,000		178,500		-		-		-		-		-		178,500
Private placements	8,984,687		4,527,547		-		-		-		-		-		4,527,547
Share issuance cost	-		(244,163)		-		-		-		-		-		(244,163)
Agent warrants issued	-		(109,251)		-		109,251		-		-		-		-
Exercise of options	1,600,000		697,886		-		(297,886)		-		-		-		400,000
Stock-based compensation	-		-		-		1,438,798		-		-		-		1,438,798
Sale of Clinicas	475,000		205,750		(880,845)		-		406,782		2,063,963		97		1,795,747
Currency translation adjustment	-		-		-		-		-		-		-		-
Net loss for the period	-		-		-		-		-		(3,367,253)		-		(3,367,253)
Balance, December 31, 2019	**81,213,470**	**$**	**16,791,884**	**$**	**-**	**$**	**2,284,539**	**$**	**-**	**$**	**(7,835,139)**	**$**	**-**	**$**	**11,241,284**
Shares issued for acquisition of Livecare	1,425,041		662,644		-		-		-		-		-		662,644
Contingent shares to be returned to treasury	1,574,959		-		-		-		-		-		-		-
Shares issued for settlement of Livecare debt	1,500,000		577,500		-		-		-		-		-		577,500
Private placements	6,298,615		3,023,335		-		-		-		-		-		3,023,335
Share issuance costs - shares	294,035		-		-		-		-		-		-		-
Share issuance costs - cash	-		(379,754)		-		-		-		-		-		(379,754)
Share issuance costs – agent warrants	-		(188,012)		-		188,012		-		-		-		-
Shares issued for prepaid services	750,000		296,347		-		-		-		-		-		296,347
Stock-based compensation	-		-		-		445,403		-		-		-		445,403
Net loss for the period	-		-		-		-		-		(1,622,994)		-		(1,622,994)
Balance, March 31, 2020	**93,056,120**	**$**	**20,783,944**	**$**	**-**	**$**	**2,917,954**	**$**	**-**	**$**	**(9,458,133)**	**$**	**-**	**$**	**14,243,765**

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

CLOUDMD SOFTWARE & SERVICES INC.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)
For the Three-Months Ended

For the Three-Month Period Ended		**March 31, 2020**		March 31, 2019
Cash provided by (used in):				
Operating activities				
Net Gain (loss)	**$**	**(1,622,994)**	$	(1,350,606)
Item not involving cash				
Accretion on convertible debenture		-		44,174
Interest on lease liabilities		24,910		-
Amortization		201,748		7,265
Unrealized foreign exchange (gain) loss		-		(25,185)
Stock-based compensation		445,403		316,932
Gain on forgiveness of debt		(79,406)		-
Change in non-cash working capital components:				
Accounts receivable		41,405		(24,724)
Prepaid expenses		(36,832)		222,072
Inventory		26,320		-
Accounts payable and accrued liabilities		64,728		66,076
Deferred revenue		12,276		-
Net liabilities from discontinued operations		-		18,917
Net cash used in operating activities		**(922,442)**		(725,079)
Investing activities				
Business acquisitions		(60,000)		(2,000,000)
Deferred acquisition cost		-		1,000,000
Cash received from acquisitions		1,275		107,092
Cash advances for subsequent acquisitions		-		700,000
Intangible Assets		(5,000)		-
Purchase of equipment		(45,806)		(5,314)
Short term investment		(25,000)		-
Net cash used in investing activities		**(134,531)**		(198,222)
Financing activities				
Proceeds from issuance of shares		2,823,335		-
Share issuance cost		(379,754)		-
Exercise of options		-		300,000
Lease payments made		(127,038)		-
Principle payment on loans		(195,836)		-
Note payable		-		500,000
Net cash provided by financing activities		**2,120,707**		800,000
Increase (decrease) in cash		**1,063,734**		(123,301)
Cash, beginning		**1,696,402**		1,055,543
Cash, ending	**$**	**2,760,136**	**$**	932,242
Cash paid for interest	**$**	36,287	$	-
Cash paid for income tax	**$**	-	$	-

For supplemental disclosures regarding cash flows, see Note 19

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.

On January 10, 2020, the Company completed the acquisition of all the issued and outstanding shares of Livecare Health Canada Inc. ("Livecare") (*Note 3*). Livecare is a Canadian telehealth company founded and operated by physicians dedicated to giving patients access to quality, real-time healthcare. 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.

The Company is focused on innovative health care approaches that combine human skill-based expertise with emerging technologies. The Company, in conjunction with its subsidiaries Cloud Practice and Livecare, 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 condensed consolidated interim 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 three months period ended March 31, 2020, the Company had net loss of $1,622,994 (March 31, 2019 – $1,350,606 loss) and as at March 31, 2020 had an accumulated deficit of $9,458,133 (December 31 2019 – $7,835,139) which has been funded primarily by equity financings and loans from non-related parties. As at March 31, 2020, the Company had a working capital balance of $904,882.

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

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. Management has assessed that the Company's working capital is sufficient for it to continue as a going concern beyond one year.

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. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The condensed consolidated interim 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.; Steveston Health Centre Ltd. (Canada) (the latter two are collectively called the "Pharmacies"), and Livecare Health Canada Inc. ("Livecare"). All inter-company transactions and balances have been eliminated on consolidation.

b) Basis of Presentation

These condensed consolidated interim 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 condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the parent Company, and its subsidiaries. These condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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. BASIS OF PRESENTATION AND 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 condensed consolidated interim 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. BASIS OF PRESENTATION AND 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) Significant Accounting Policies

The Company applies IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those for the year ended December 31, 2019. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019.

(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		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 11)*	$	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

(Expressed in Canadian Dollars)

3. BUSINESS ACQUISITIONS *(continued…)*

Livecare Health Canada Inc.

On January 10, 2020, the Company completed the acquisition of all of the issued and outstanding shares of 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. Pursuant to the acquisition agreement, the Company issued 3,000,000 common shares on January 10, 2020, of which 1,574,959 common shares were subsequently cancelled and returned to treasury on April 17, 2020, resulting in a net amount of 1,425,041 common shares being issued for the business acquisition of Livecare. Additionally, the Company paid $326,554 cash payment to the former owners of Livecare.

The acquisition of Livecare 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. IFRS 3 allows for a measurement period, which shall not exceed one year from the acquisition date, in which the Company may gather the information necessary to record the acquisition in accordance with IFRS 3. As at March 31, 2020, the Company is still in the measurement phase. The preliminary allocation of the purchase consideration is as follows:

Purchase price		
Fair value of common shares issued (1,425,041 at $0.465 per share)	$	662,644
Cash paid		386,554
Total consideration paid	$	1,049,198
Allocated as follows:		
Cash	$	1,275
Accounts receivable		78,785
Deposits		76,742
Property and equipment *(Note 10)*		81,984
Inventory		16,975
Technology platforms *(Note 11)*		461,228
Accounts payable		(674,622)
Taxes payable		(162,834)
Other current liabilities		(294,737)
Contingent liabilities (1)		(173,866)
Long term debt (2)		(850,000)
Net assets acquired		(1,439,070)
Goodwill acquired *(Note 11)*	$	2,488,268

(1) Through the acquisition of Livecare, the Company recorded $173,866 in contingent liabilities, with $126,588 related to the cancelation of long-term leases and $47,278 related to liabilities on leased cosmetic equipment. The Company intends to settle these amounts during its quarter ending June 30, 2020. The amount recorded is the Company's best estimate of the amounts to be settled.

(2) The long-term debt in the amount acquired of $850,000 included an amount of $600,000 due to a non-related party. This amount was settled by issuing 1,500,000 common shares of the Company on January 31, 2019 with a fair value of $577,500, resulting in a gain from debt forgiveness of $22,500. *(Note 18).*

(Expressed in Canadian Dollars)

3. BUSINESS ACQUISITIONS *(continued…)*

Livecare Health Canada Inc. (continued…)

Additionally, other payables due to two vendors were settled for a cash amount that was less than the amount owing and recorded in accounts payable as at the acquisition date. This resulted in a gain from debt forgiveness of $56,906 being recorded during the 3-month period ended March 31, 2020.

4. REVENUE

The following table shows a breakdown of revenue for the three months period ended March 31, 2020 and March 31, 2019:

		March 31, 2020		**March 31, 2019**
Clinic services and pharmacies	$	2,629,550	$	859,543
SAAS model digital services		427,179		240,787
Total revenue	$	3,056,729	$	1,100,330

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

		March 31, 2020		**December 31, 2019**
Trade receivables	$	201,223	$	208,195
GST receivable		73,553		55,818
Allowance for doubtful account		-		(11,990)
Receivables from discontinued operations		-		-
Other receivables		22,425		7,798
	$	297,201	$	259,821

6. DEPOSITS

Short-term deposits consist of the following:

		March 31, 2020		**December 31, 2019**
Deposit for the acquisition of Livecare *(Note 3)*		-		326,554
	$	-	$	326,554

As at March 31, 2020 and 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.

(Expressed in Canadian Dollars)

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 March 31, 2020 and December 31, 2019, and therefore, the Company has valued the investments in MOG shares at $1.

8. INVENTORY

Inventory consists of the following:

	March 31, 2020	December 31, 2019
Pharmaceuticals - prescription	$ 331,133	$ 364,540
Pharmaceuticals – over the counter	195,045	88,015
Other inventory	225,581	308,549
	$ 751,759	$ 761,104

9. PREPAID EXPENSES

Prepaid expenses consist of the following:

	March 31, 2020	December 31, 2019
Prepaid professional and consulting fees	$ 482,696	$ 206,668
Prepaid marketing and advertising	37,500	50,001
Prepaid rent	38,123	47,194
Prepaid insurance and licenses	29,888	19,716
Miscellaneous	163,460	18,167
	$ 751,667	$ 341,746

(Expressed in Canadian Dollars)

10. PROPERTY AND EQUIPMENT

	Equipment	Computers	Software	Leasehold improvement	Total
Cost					
December 31, 2018	$ 34,526	$ 20,308	$ 497	$ 53,766	$ 109,097
Business acquisitions	131,490	8,236	-	32,638	172,364
Additions	5,321	16,083	-	-	21,404
Disposal	(3,571)	(12,531)	(497)	(5,717)	(22,316)
Balance at December 31, 2019	167,766	32,096	-	80,687	280,549
Business acquisition	43,791	5,603	854	31,736	81,984
Additions	16,318	11,082	-	18,406	45,806
Balance at March 31, 2020	$ 227,875	$ 48,781	$ 854	$ 130,829	$ 408,339
Accumulated Amortization					
December 31, 2018	$ 3,272	$ 5,765	$ 137	$ 5,376	$ 14,550
Amortization	19,540	11,339	99	13,445	44,423
Disposals	(68)	(4,561)	(236)	(1,143)	(6,620)
Balance at December 31, 2019	22,132	12,543	-	17,678	52,353
Amortization	8,775	3,860	59	5,288	17,982
Balance at March 31, 2020	$ 30,907	$ 16,403	$ 59	$ 22,966	$ 70,335
Net Book Value					
December 31, 2019	$ 145,634	$ 19,553	$ -	$ 63,009	$ 228,196
March 31, 2020	$ 196,968	$ 32,378	$ 795	$ 107,863	$ 338,004

11. GOODWILL AND INTANGIBLE ASSETS

Goodwill consists of the following as at March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
Acquisition of HealthVue *(Note 3)*	$ 3,951,570	$ 3,951,570
Acquisition of Cloud Practice *(Note 3)*	3,143,239	3,143,239
Acquisition of the Pharmacies *(Note 3)*	2,402,868	2,402,868
Acquisition of Livecare *(Note 3)*	2,488,268	-
	$ 11,985,945	$ 9,497,677

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

(Expressed in Canadian Dollars)

11. GOODWILL AND INTANGIBLE ASSETS *(continued…)*

Intangible assets consist of the following as at March 31, 2020 and December 31, 2019:

	Customer lists	Customer relationships	Technology platforms	Total
Cost				
December 31, 2018	$ -	$ -	$ -	$ -
Business acquisition	-	1,348,000	885,000	2,233,000
Additions	20,000	-	-	20,000
Balance at December 31, 2019	20,000	1,348,000	885,000	2,253,000
Business acquisition	-	-	461,228	461,228
Addition	5,000	-	-	5,000
Balance at March 31, 2020	$ 25,000	$ 1,348,000	$ 1,346,228	$ 2,719,228
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
Amortization	555	33,237	27,041	60,833
Balance at March 31, 2020	$ 1,393	$ 107,022	$ 108,753	$ 217,168
Net Book Value				
December 31, 2019	$ 19,162	$ 1,274,215	$ 803,288	$ 2,096,665
March 31, 2020	$ 23,607	$ 1,240,978	$ 1,237,475	$ 2,502,060

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2020	December 31, 2019
Accounts payables	$ 1,177,491	$ 648,374
Accrued liabilities	473,137	242,942
Other payables	138,084	52,118
	$ 1,788,712	$ 943,434

13. OTHER CURRENT LIABILITIES

	March 31, 2020	December 31, 2019
Subsidiaries' line of credit, with an interest rate ranging from prime plus 0.75% to prime plus 1% per annum	$ 1,002,415	$ 809,752
Loan payable to landlord of a subsidiary, at an interest rate of 6% per annum	65,368	67,498
	$ 1,067,783	$ 877,250

(Expressed in Canadian Dollars)

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 three months period ended March 31, 2020, the Company made principal payments of $72,883.

As part of the acquisition of Livecare *(Note 3),* effective January 10, 2020, the Company assumed an asset and capital financing with a Canadian chartered bank for a total of $250,000. The purpose of this loan was to pay out existing term debt held by the previous owner. The loan 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 Livecare. During the three months period ended March 31, 2020, the Company made principal payments of $18,750.

		March 31, 2020		**December 31, 2019**
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.	$	1,737,749	$	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		207,322		214,460
Loan segment 'c' bears a fixed interest rate of 3.97% payable monthly, has an amortization period of 10 years, and al payment term ending on October 31, 2021.		208,148		215,046
Livecare Loan bears a variable interest rate of prime + 1.00% payable monthly, has an amortization period of 5 years, and an original payment term of 5 years ending on April 30, 2023		231,250		-
	$	2,384,469	$	2,226,101
Less: current portion		372,320		294,797
Long term portion	$	2,012,149	$	1,931,304

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.

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, 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. At adoption of IFRS 16 on 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%.

(Expressed in Canadian Dollars)

16. LEASES (continued…)

Right-of-use assets

The Company's right-of-use assets as at March 31, 2020 are as follows:

		Total
Cost		
Balance as at January 1, 2019	$	401,498
Additions doe to acquisition of Cloud Practice		370,634
Additions due to acquisition of Pharmacies		1,953,159
Balance as at December 31, 2019 and March 31, 2020	$	2,725,291
Accumulated Amortization		
January 1, 2019	$	-
Amortization		345,063
December 31, 2019		345,063
Amortization		122,933
Balance at March 31, 2020	$	467,996
Net book value: December 31, 2019	$	2,380,228
Net book value: March 31, 2020	**$**	**2,257,295**

Lease liability

The Company's lease liability as at March 31, 2020 and December 31, 2019 is as follows:

		March 31, 2020		December 31, 2019
Lease liability current	$	465,925	$	459,386
Lease liability non-current		1,870,132		1,978,799
Total lease liability	$	**2,336,057**	**$**	**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 December 31, 2019	$	2,438,185
Interest expense		24,910
Less lease cash payments		(127,038)
Balance at March 31, 2020	**$**	**2,336,057**

As at March 31, 2020, the discounted payments under lease liabilities are as follows:

		Total
Less than one year	$	465,925
One to five years		983,377
More than five years		886,755
	$	2,336,057

(Expressed in Canadian Dollars)

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:

	March 31, 2020	**March 31, 2019**
Salaries paid to the CEO	60,000	60,000
Salaries paid to the CFO	30,000	25,000
Salaries paid to the COO	27,500	25,000
Consulting fees to the former CEO, included in loss from discontinued operations *(Note 20)*	-	5,079
Stock-based compensation to the CEO, CFO, COO and Directors	187,796	-
Accretion and interest expense on convertible debenture to the former CEO *(Note 15)*	-	86,330

18. SHARE CAPITAL

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

b) **Share Capital:** As at March 31, 2020, the issued share capital comprises 93,056,120 (December 31, 2019 – 81,213,470) common shares.

During the* 3-month period ended March 31, 2020*, the Company had the following share capital transactions:

- On January 10, 2020, the Company issued 3,000,000 common shares for the business acquisition of Livecare (*Note 3*). Pursuant to the agreement, 1,574,959 common shares were cancelled and returned to treasury on April 17, 2020.

- On January 31, 2020, the Company issued 1,500,000 common shares valued at $577,500 to settle debt of $600,000 acquired in conjunction with Livecare. *(Note 3)*

- On February 3, 2020, the Company issued 750,000 common shares valued at $296,347 for prepaid consulting fees.

- On March 20, 2020, the Company completed tranche 1 of a brokered private placement of 4,875,449 units for gross proceeds of $2,340,216 ($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 two years from closing.

  In connection with this private placement, agents were paid cash commissions of $182,897 and issued 238,147 common shares, 119,073 agent's warrants with an exercise price of $0.70 per common share, and 381,036 agent's warrants with an exercise price of $0.48 per common share. The agent's warrants have a fair value equal to $111,259 (see Note 18 (c) for further information on the fair value calculation).

18. SHARE CAPITAL (continued…)

b) **Share Capital (continued…)**

- On March 30, 2020, the Company completed tranche 2 of a brokered private placement 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 two years from closing.

  In connection with this private placement, agents were paid cash commissions of $37,930 and issued 49,388 common shares, 79,020 agent's warrants with an exercise price of $0.70 per common share, and 24,694 agent's warrants with an exercise price of $0.48 per common share. The agent's warrants have a fair value equal to $26,085 (see Note 18 (c) for further information on the fair value calculation).

  The Company incurred additional share issuance costs amounting to $157,007 in connection to the above private placement.

  Of the total proceeds of the private placement, as at March 31, 2020, $200,000 had yet to be received by the Company, and is included in subscriptions receivable.

- On March 30, 2020, in connection with the above private placement, the Company issued 6,500 common shares, paid a cash fee of $1,920 and issued 233,278 agent's warrants with an exercise price of $0.70 per common share. The agent's warrants have a fair value equal to $50,668 (see Note 18 (c) for further information on the fair value calculation).

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.

- 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).

18. SHARE CAPITAL (continued…)

b) **Share Capital (continued…)**

- 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).

c) **Agent's Warrants**

During the 3-month period ended March 31, 2020, the Company issued a total of 837,101 agent's warrants in connection with its private placements, valued at $188,012 using the Black Scholes Option Pricing Model, with the following weighted average assumptions: volatility of 100%, expected life of 2 years, risk free interest rates ranging from 0.40% to 0.62%, and a dividend yield of 0%.

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%.

(Expressed in Canadian Dollars)

18. SHARE CAPITAL (continued…)

c) **Agent's Warrants (continued…)**

The following is a summary of agent's warrants activities during the 3-month period ended March 31, 2020 and the year ended December 31, 2019:

	March 31, 2020		December 31, 2019	
	Number of Agent's Warrants	**Weighted Average Exercise Price $**	Number of Agent's Warrants	Weighted Average Exercise Price $
Balance outstanding beginning of year	501,520	0.76	-	-
Agent's warrants Issued	837,101	0.58	501,520	0.76
Balance outstanding end of period	**1,338,621**	**0.65**	501,520	0.76

As at March 31, 2020, the Company had the following agent's warrants outstanding, all of which are exercisable at March 31, 2020:

Outstanding	**Exercise Price $**	**Remaining Life (Years)**	**Expiry Date**
161,520	1.00	1.07	April 26, 2021
340,000	0.65	1.50	September 30, 2021
119,073	0.70	1.97	March 20, 2022
381,036	0.48	1.97	March 20, 2022
257,972	0.70	2.00	March 30, 2022
79,020	0.48	2.00	March 30, 2022
1,338,621		**1.75**	

d) **Shareholders' Warrants**

During the 3-month period ended March 31, 2020, the Company issued a total of 3,149,307 shareholders' warrants in connection with its private placements. These warrants have a fair value of $nil, valued using the residual value method.

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 3-month period ended March 31, 2020 and the year ended December 31, 2019:*

	March 31, 2020		December 31, 2019	
	Number of Shareholders' Warrants	**Weighted Average Exercise Price $**	Number of Shareholders' Warrants	Weighted Average Exercise Price $
Balance outstanding beginning of year	4,492,344	0.80	-	-
Shareholders' warrants Issued	3,149,307	0.70	4,492,344	0.80
Balance outstanding end of year	**7,641,651**	**0.76**	4,492,344	0.80

(Expressed in Canadian Dollars)

18. SHARE CAPITAL (continued…)

d) **Shareholders' Warrants (continued…)**

As at March 31, 2020, the Company had the following shareholders' *warrants outstanding, all of which are exercisable at March 31, 2020:*

Outstanding	Exercise Price $	Remaining Life (Years)	Expiry Date
1,525,067	1.00	1.07	April 26, 2021
342,277	1.00	1.13	May 16, 2021
2,625,000	0.65	1.50	September 16, 2021
2,437,724	0.70	1.97	March 20, 2022
711,583	0.70	2.00	March 30, 2022
7,641,651	$0.80	**1.59**	

e) **Escrow Shares**

As at March 31, 2020, the Company has 11,430,948 common shares held in escrow.

Escrow shares will be released as follows:

- 1,800,000 shares on August 1, 2020, and the same amount released each six months thereafter until the last 1,800,000 are released on August 1, 2021.
- 686,477 shares on May 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 April 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 April 16, 2020, and the same amount released each month thereafter until the last 5,000 are released on October 19, 2020.
- 570,017 shares on January 9, 2021, plus 285,008 shares on May 9, 2021, and the same amount released each four months thereafter until the last 285,008 are released on January 8, 2022.
- 600,000 shares on January 31, 2021, plus 300,000 shares on May 31, 2021, and the same amount released each four months thereafter until the last 300,000 are released on January 30, 2022.

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.

18. SHARE CAPITAL (continued…)

f) **Stock Options (continued…)**

The following grants were made during the three-month period ended March 31, 2020:

- On January 7, 2020, 300,000 options were granted to consultants of the Company, exercisable at $0.40 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 $89,635, of which $62,226 was recorded in the 3-month period ended March 31, 2020 based on vesting conditions.

- On January 13, 2020, 1,350,000 options were granted to management and employees of the Company, exercisable at $0.50 per share. The options vesting periods ranged from a 5-month vesting period to 25% of options granted vesting every 6 months. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was $497,946, of which $223,173 was recorded in the 3-month period ended March 31, 2020 based on vesting conditions.

- On February 3, 2020, 125,000 options were granted to employees of the Company, exercisable at $0.50 per share. The options shall vest 25% every 6 months and have a five-year expiry date from the date of grant. The fair value of the options at grant date was $35,261, of which $5,689 was recorded in the 3-month period ended March 31, 2020 based on vesting conditions.

- On March 2, 2020, 200,000 options were granted to employees of the Company, exercisable at $0.55 per share. The options shall vest 25% every 6 months and have a five-year expiry date from the date of grant. The fair value of the options at grant date was $79,899 of which $6,333 was recorded in the 3-month period ended March 31, 2020 based on vesting conditions.

- On March 16, 2020, 200,000 options were granted to consultants of the Company, exercisable at $0.50 per share. The options shall vest 25% every 6 months and have a five-year expiry date from the date of grant. The fair value of the options at grant date was $73,380 of which $3,116 was recorded in the 3-month period ended March 31, 2020 based on vesting conditions.

- On March 23, 2020, 80,000 options were granted to a director of the Company, exercisable at $0.48 per share. The options shall vest 20% every 6 months, commencing on March 23, 2020. The options have a five-year expiry date from the date of grant. The fair value of the options at grant date was $22,950 of which $5,006 was recorded in the 3-month period ended March 31, 2020 based on vesting conditions.

- On March 23, 2020, 200,000 options were granted to a director of the Company, exercisable at $0.50 per share. The options shall vest 20% every 6 months, commencing on March 23, 2020. The options vest 5 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 $56,926 of which $2,976 was recorded in the 3-month period ended March 31, 2020 based on vesting conditions.

The option pricing model used an average risk-free rate ranging from 0.78% and 1.62% with an average risk-free rate of 1.13%, estimated life of 5 years, volatility of 100% and dividend yield of 0%.

18. SHARE CAPITAL (continued…)

f) **Stock Options (continued…)**

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 $83,011 was recorded during the three months ended March 31, 2019 based on vesting conditions.

- 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 $119,293 (March 31, 2019 - $195,872) was recorded in the 3-month period ended March 31, 2020 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 $7,554 was recorded in the 3-month period ended March 31, 2020 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 $10,037 (March 31, 2019 - $38,049) was recorded in the 3-month period ended March 31, 2020 based on vesting conditions.

(Expressed in Canadian Dollars)

18. SHARE CAPITAL (continued…)

f) **Stock Options (continued…)**

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%.

The following is a summary of option activities the 3-month period ended March 31, 2020 and the year ended December 31, 2019:

	March 31, 2020		December 31, 2019	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Balance outstanding beginning of year	5,250,000	0.60	4,000,000	0.50
Options Granted	2,455,000	0.49	5,250,000	0.49
Options Cancelled	-	-	(1,800,000)	0.39
Options Exercised	-	-	(2,200,000)	0.32
Balance outstanding end of period	**7,705,000**	**$ 0.57**	**5,250,000**	**$ 0.60**

As at March 31, 2020, the Company had the following stock options outstanding and exercisable:

Outstanding	**Exercisable**	**Exercise Price $**	**Remaining Life (Years)**	**Expiry Date**
2,400,000	2,200,000	$0.50	3.37	August 12, 2023
2,350,000	1,325,000	$0.76	3.85	February 3, 2024
200,000	50,000	$0.32	4.30	July 16, 2024
300,000	300,000	$0.40	4.60	November 5, 2024
300,000	-	$0.40	4.77	January 6, 2025
1,350,000	-	$0.50	4.79	January 12, 2025
125,000	-	$0.50	4.85	February 2, 2025
200,000	-	$0.55	4.92	March 1, 2025
200,000	-	$0.50	4.96	March 15, 2025
80,000	-	$0.48	4.98	March 22, 2025
200,000	-	$0.50	4.98	March 22, 2025
7,705,000	**3,875,000**		**4.05**	

19. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW

Non-cash activities affecting cash flows from investing and financing activities during the three months ended March 31, 2020:

- The Company issued 1,425,041 shares valued at $662,644 for acquisition of Livecare *(Note 3)*
- The Company issued 1,500,000 shares valued at $577,500 for settlement of $600,000 of debt acquired from Livecare *(Note 3)*.
- The Company issued 750,000 shares valued at $296,347 for prepaid consulting and advisory services.
- The Company issued 837,101 agent warrants valued at $188,012 as share issuance costs.

Non-cash activities affecting cash flows from investing and financing activities during the three months ended March 31, 2019:

- The Company issued 3,947,368 shares valued at $2,325,964 for the acquisition of Cloud Practice

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.

(Expressed in Canadian Dollars)

20. DISCONTINUED OPERATIONS *(continued…)*

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 and March 31, 2020, no amounts were owing with regards to the Settlement Agreement.

Revenues and expenses from Clinicas are as follows:

	March 31, 2020	March 31, 2019
REVENUE	**$ -**	$ 59,462
EXPENSES		
Advertising	-	1,342
Amortization	-	12,853
Leasehold improvements written off	-	-
Bank charges an interest	-	5,791
Consulting fees *(Note 17)*	-	5,079
Insurance	-	2,032
Office and administration	-	8,820
Professional fees	-	4,886
Rent	-	12,672
Repair and maintenance	-	534
Wages and related expenses	-	27,600
Other expense	-	820
Loss from settlement agreement	-	-
Loss from discontinued operations	**$ -**	$ (22,967)

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 period.

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 March 31, 2020, 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 March 31, 2020, 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.

22. FINANCIAL INSTRUMENTS (continued…)

Market Risk (continued…)

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.

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 March 31, 2020	$	22,006,928	$	-	$	22,027,412
As at December 31, 2019	$	17,726,254	$	-	$	17,726,254
Revenue for the three months ended						
March 31, 2020	$	3,056,729	$	-	$	3,056,729
March 31, 2019	$	1,100,330	$	-	$	1,100,330
Net loss for the three months ended:						
March 31, 2020	$	(1,622,994)	$	-	$	(1,622,994)
March 31, 2019	$	(1,327,639)	$	(22,967)	$	(1,350,606)

24. SUBSEQUENT EVENTS

- Subsequent to the period ending March 31, 2020, the Company cancelled 1,574,959 contingent common shares previously issued for the acquisition of Livecare. (Note 3)

- The Company issued 573,250 common shares upon the exercise of 101,250 shareholder warrants at an exercise price of $0.65 per share, 22,000 agent warrants at an exercise price of $0.65 per share and 450,000 stock options at an exercise price of $0.40 per share.

- On April 7, 2020, the Company issued 212,000 options to consultants of the Company at an exercise price of $0.50 per share. The options have a five-year expiry date from the date of grant.

- On April 28, 2020, the Company issued 175,000 options to consultants and employees of the Company at an exercise price of $0.73 per share. The options have a five-year expiry date from the date of grant.

- On April 28, 2020, the Company cancelled 100,000 stock options exercisable at a price of $0.50 per share.

- On May 13, 2020, the Company entered into an agreement with a syndicate of underwriters to purchase, on a bought deal basis, pursuant to the filing of a short form prospectus, an aggregate of 18,572,000 units at a price of $0.70 per unit for aggregate gross proceeds to the company of approximately $13-million. Each unit shall consist of one common share and one-half of one common share purchase warrant of the company. Each warrant shall be exercisable to acquire one common share of the company for a period of 24 months from closing of the transaction at an exercise price of $1 per warrant.

  The Company has granted the underwriters an option to purchase up to an additional 2,785,800 units at a price of 70 cents per unit, exercisable at any time, for a period of 30 days after and including the closing date, which would result in additional proceeds of approximately $2-million.

- On May 14, 2020, the Company announced the appointment of industry veteran Mark Kohler as chairman of the board. Mr. Kohler has over 33 years of experience as an entrepreneur, investor, financial executive, and board member at leading healthcare, technology, and financial services organizations in North America. On May 21, 2020, the Company issued 150,000 common shares to Mr. Kohler in consideration of future services.