CloudMD Software & Services Inc.

Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023

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

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated financial statements of CloudMD Software & Services Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada.

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

	Note	March 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		**$ 5,165**	$8,930
Restricted cash	9	**2,500**	2,500
Trade and other receivables	4	**18,170**	15,652
Inventory		**17**	17
Prepaid expenses, deposits and other		**4,220**	3,764
		30,017	30,863
Assets held for sale	12	**1,601**	1,810
Total current assets		**31,673**	32,673
Deposits		**113**	113
Property and equipment		**4,301**	4,791
Intangible assets		**44,015**	46,332
Total assets		**$ 80,102**	$ 83,909
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank Indebtedness		**$ 2,300**	-
Accounts payable, accrued liabilities and other		**17,607**	17,901
Deferred revenue		**2,385**	2,447
Current portion of lease liabilities		**1,758**	1,706
Current portion of long-term debt		**15,862**	16,474
		39,912	38,528
Liabilities directly associated with the assets held for sale	12	**1,055**	715
Total current liabilities		**40,967**	39,243
Lease liabilities		**2,105**	2,566
Deferred tax liability		**5,976**	6,088
Long-term debt	6	**2,483**	2,589
Total liabilities		**51,531**	50,486
SHAREHOLDERS' EQUITY			
Share capital	8	**308,322**	308,322
Reserves		**16,282**	16,216
Shares under escrow		**596**	596
Accumulated other comprehensive gain		**(100)**	(28)
Deficit		**(296,529)**	(291,683)
Total shareholders' equity		**28,571**	33,423
Total liabilities and shareholders' equity		**$ 80,102**	$ 83,909

Approved and authorized for issuance by the Board of Directors on May 30, 2024.

"Karen Adams"	***"Gaston Tano"***
Karen Adams, CEO	Gaston Tano, Audit & Risk Committee Chair

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

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

	Note	Three months ended March 31, 2024	Three months ended March 31, 2023
Continuing operations			
Revenue		**$ 22,805**	$ 22,895
Cost of sales		**14,370**	14,441
Gross profit		**8,435**	8,454
Expenses			
Sales and marketing		**896**	1,083
Research and development		**55**	507
General and administrative		**7,848**	8,435
Share-based compensation		**99**	30
Amortization of intangible assets		**2,729**	2,574
Depreciation of property and equipment		**529**	696
Acquisition and divestiture-related, integration and restructuring costs		**379**	871
Total expenses		**12,535**	14,196
Operating Loss		**(4,100)**	(5,741)
Other income		**487**	**158**
Change in fair value of liability to non-controlling interest		**-**	**(549)**
Finance costs		**(503)**	**(650)**
Net loss before taxes from continuing operations		**(4,116)**	**(6,783)**
Income tax recovery/(expense)		**(119)**	**255**
Net loss for the period from continuing operations		**(4,235)**	**(6,532)**
Discontinuing operations			
Loss after tax for the period from discontinuing operations		**(611)**	**(614)**
Net loss for the period		**(4,846)**	**(7,146)**
Other comprehensive loss			
Item that may be reclassified to income in subsequent periods			
Exchange differences on translation of foreign operations		**(73)**	**(72)**
Total comprehensive loss for the period		**$ (4,919)**	**$ (7,218)**
Net loss attributable to:			
Equity holders of the Company		**$ (4,846)**	**$ (7,145)**
Non-controlling interest		**-**	**(1)**
Total comprehensive loss attributable to:			
Equity holders of the Company		**(4,919)**	**(7,217)**
Non-controlling interest		**-**	**(1)**
Weighted average number of common shares, basic and diluted		**304,679,883**	**299,423,030**
Loss per share, basic and diluted		**(0.02)**	**(0.02)**
Loss per share, basic and diluted from continuing operation		**(0.00)**	**(0.00)**

* Comparative information has been re-presented due to discontinued operations. See note 12.

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

CLOUDMD SOFTWARE & SERVICES INC.
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(in thousands of Canadian Dollars, except number of shares and per share amounts)
(Unaudited)

	Share capital	Reserves	Shares under escrow	Contingent shares issuable	Accumulated other comprehensive gain/ (loss)	Deficit	Non-controlling interest	Total
Balance, December 31, 2022	**$ 304,817**	**$ 13,143**	**$ 596**	**$ 4,436**	**$186**	**$(208,848)**	**$1,027**	**$ 115,673**
Contingent shares issued	2,326	-	-	(2,326)	-	-	-	-
Contingent consideration settled in shares	765	-	-	-	-	-	-	765
Share-based compensation	-	30	-	-	-	-	-	30
Other comprehensive loss	-	-	-	-	(72)	-	-	(72)
Net loss for the period	-	-	-	-	-	(7,145)	(1)	(7,146)
Balance, March 31, 2023	**$ 307,908**	**$ 13,173**	**$ 596**	**$ 2,110**	**$ 114**	**$(215,993)**	**$1,026**	**$108,935**
Balance, December 31, 2023	**$ 308,322**	**$ 16,216**	**$ 596**	**-**	**$ (28)**	**$(291,683)**	**-**	**$33,423**
Other comprehensive loss	-	-	-	-	(73)	-	-	(73)
Share-based compensation	-	67	-	-	-	-	-	67
Net loss for the period	-	-	-	-	-	(4,846)	-	(4,846)
Balance, March 31, 2024	**$ 308,322**	**$ 16,282**	**$ 596**	**-**	**$ 100**	**$ (296,529)**	**-**	**$ 28,571**

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

CLOUDMD SOFTWARE & SERVICES INC.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
(in thousands of Canadian Dollars, except number of shares and per share amounts)
(unaudited)

	Note	Three months ended March 31, 2024	March 31,2023
Operating activities			
Net loss for the period		**$ (4,846)**	$ (7,146)
Adjustments for			
Interest expense on lease liabilities		**20**	53
Interest expense on long term debt		**483**	608
Deferred tax (recovery) expense		**(112)**	(319)
Depreciation and Amortization		**3,258**	3,421
Share-based compensation		**99**	30
Change in fair value of liability to non-controlling interest		**-**	549
Other		**(73)**	(31)
Net change in non-cash working capital	9(b)	**(513)**	(1,510)
Net cash (used in) operating activities		**(1,684)**	(4,345)
Investing activities			
Payment of contingent consideration		**-**	(371)
Purchase of intangible assets		**(412)**	(499)
Proceeds from disposal of business		**-**	1,261
Purchase (proceed from sale) of property and equipment		**-**	(53)
Net cash provided by investing activities		**(412)**	338
Financing activities			
Payment of long-term debt		**(1,201)**	(692)
Payment of lease liabilities		**(429)**	(607)
Net cash (used in) financing activities		**(1,630)**	(1,299)
Net (decrease) increase in cash and cash equivalents		**(3,726)**	$ (5,306)
Effects of foreign exchange		**(39)**	-
Cash and cash equivalents, beginning of period		**8,930**	24,058
Cash and cash equivalents, end of period		**5,165**	$ 18,752

Supplemental cash flow information (*Note 12*)

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

1. CORPORATE INFORMATION

CloudMD Software & Services Inc. ("CloudMD" or "the Company") is a publicly traded company listed on the TSX Venture Exchange ("TSXV") under the trading symbol DOC, and is incorporated under the laws of British Columbia, Canada. The Company's registered office is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3EH and head office is 181 University Avenue, Suite 1101, Toronto, Ontario M5H 3M7. These condensed interim unaudited consolidated financial statements comprise the Company and its subsidiaries.

CloudMD is a healthcare services provider that uses a comprehensive personalized approach to support an individual's mental, physical, and social issues. CloudMD has a complete health ecosystem that connects all points of the healthcare journey through one centralized platform.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The unaudited condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended December 31, 2023. They do not include all the disclosures required for a complete set of financial statements prepared in accordance with IFRS standards. These interim financial statements were authorized for issue by the Board of Directors on May 30, 2024.

b) Going Concern

The consolidated financial statements have been prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred losses and has generated negative cash flows from operations. For the period ended March 31, 2024, the Company recorded a net loss from continuing operations of $4,892 and cash used in operations of $1,685. As at March 31, 2024, the Company had cash and cash equivalents of $5,165, negative working capital of $10,718 and debt of $18,345.

As at December 31, 2022, the Company was not in compliance with certain financial covenants under the Facilities (as defined below). The lender has not waived their right to demand repayment of the debt under the debt covenant breach. Additionally, the Facilities mature on June 25, 2024. As of the date that these consolidated financial statements were approved and authorized for issuance, the Company's projected cash flows are not sufficient to repay the full amount of the Facilities on the maturity date of June 25, 2024 and to fund its continuing operations. To continue as a going concern, the Company must generate sufficient operating cash flows and obtain additional financing to fund its operations and repay the Facilities. After evaluating the uncertainties, the Company considers it appropriate to continue to adopt the going concern basis in preparing its consolidated financial statements. These conditions indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these annual consolidated financial statements, adjustments may be necessary to the carrying value of assets and liabilities and the reported expenses, and these adjustments could be material.

c) Basis of Consolidation

These interim financial statements comprise of the financial statements of the Company and its subsidiaries as at March 31, 2024. All inter-company transactions and balances have been eliminated on consolidation.

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

These interim financial statements incorporate the assets, liabilities and results of the Company and its subsidiaries for the three months ended March 31, 2024, and 2023. As at March 31, 2024, the Company owned 27 subsidiaries that are wholly-owned or controlled by virtue of a management services agreement, based in Canada and the USA.

d) Significant Accounting Policies

These interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended December 31, 2023.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The same accounting policies and methods of computation are followed in these interim financial statements as compared with the most recent audited annual financial statements, except for the new standards, interpretations and amendments adopted by the Company.

4. TRADE AND OTHER RECEIVABLES

The following table shows the details of the Company's trade and other receivables:

As at	March 31, 2024	December 31, 2023
Trade receivables	**$ 16,962**	$ 14,203
Other receivables	**3,517**	3,393
Allowance for expected credit losses	**(2,309)**	(1,944)
Total	**$ 18,170**	$ 15,652

5. EXPENSES BY NATURE FOR CONTINUING OPERATIONS

For the three months ended:	March 31, 2024	March, 2023
Cost of sales	**$ 14,370**	$ 14,441
Marketing and advertising	**468**	442
Office and administration	**1,602**	2,130
Professional fees	**642**	1,782
Rent on short-term leases	**297**	333
Wages and employee benefits	**6,168**	6,209
Amortization of intangible assets	**2,729**	2,641
Depreciation of property and equipment	**529**	629
Share-based compensation	**99**	30
Total	**$ 26,904**	$ 28,637

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

6. LONG TERM DEBT

	March 31, 2024	December 31, 2023
Bank loans:		
Variable interest rate	**$15,750**	$ 16,167
Interest free loans:		
Federal Economic Development Agency Loan	2,595	2,836
CEBA Loan[(1)]	-	60
Balance	**$18,345**	$ 19,063
Current portion	**15,862**	16,474
Long-term portion	**$2,483**	$ 2,589

[(1)] Loan matured on December 31, 2023 and was settled in Q1 2024.

Bank

The Company, through its subsidiary Oncidium Inc., has credit facilities of up to $28,750 (the "Facilities"). On March 28, 2023, the Company amended the credit agreement governing the Facilities. Under the terms of the amended agreement, the credit parties have been expanded to include CloudMD Holdings Inc., Humanacare Organizational Resources Inc., Medical Confidence Inc., and Re: Function Health Group Inc. In addition, the Company can net up to $2.5 million of cash or cash equivalents that are deposited in a restricted cash account with the lender against the outstanding debt amount for purposes of calculating the financial covenants.

As at March 31, 2024, the cash held with the lender of $2,500 is classified as restricted cash as it is not available to be used for the Company's short-term commitments.

The Facilities include:

(1) Revolver Facility of $3,000;

(2) Term Facility of $15,750; subject to certain restrictions for use beyond the balance already drawn; and,

(3) Additional term facility of $10,000 subject to lender approval.

As stated in Note 2, the Company was not in compliance with certain financial covenants under the Facilities as of December 31, 2022. Additionally, the Facilities mature on June 25, 2024. As a result, $15,750 was included in the current liabilities in the Consolidated Statement of Financial Position as of March 31, 2024 (December 31, 2023 - $16,167). However, as of the date that these consolidated financial statements were approved and authorized for issuance, the Company's projected cash flows are not sufficient to repay the full amount of the Facilities on the maturity date of June 25, 2024 and fund operations.

Interest accrues daily on advances at the applicable Canadian Dealer Offered Rate ("CDOR") plus a margin of between 2.0% and 3.5% dependent upon certain financial ratios. The fair value of the long-term debt approximates its carrying value. The interest rate on the loans as at December 31, 2023 was 7.7%.

The debt under certain of the Facilities (being revolver facility and one of the term facilities) is secured by a first-ranking security interest on all present and after-acquired assets of the Company's above listed entities and the debt under the other term facility is secured on a pari passu basis by a security interest on all present and after-acquired assets of the Company.

Interest free loan

MindBeacon entered into a contribution agreement with the Federal Economic Development Agency for Southern Ontario for up to $4,000 in interest free loans to support its transition into a digital mental health platform provider, with the objective of growing recurring revenue by offering its platform as a service to customers in global markets. The loan is repayable over a period of five years, beginning January 2024. The government grant was calculated using a discount rate of 11.9% ,which is the expected interest rate on a similar type of loan.

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

7. RELATED PARTY TRANSACTIONS

Key management personnel include the Company's Board of Directors, members of the senior executive team, close family members, and enterprises which are under common control or controlled by these individuals. The below transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following is a summary of remuneration of key management and Board of Directors:

		For the three months ended		
		March 31, 2024		**March 31, 2023**
Cash-based compensation	**$**	**476**	$	546
Stock-based compensation		**99**		30
Total	**$**	**575**	$	576

8. SHARE CAPITAL

The following is a summary of the share capital activities:

	Number of common shares	Share capital
Balance, December 31, 2023	**304,679,883**	**308,322**
Shares Issued, settled, returned or exercised	-	-
Balance, March 31, 2024	304,679,883	308,322

9. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Cash and cash equivalents and restricted cash

As at:	March 31, 2024	December 31, 2023
Cash	**$ 4,980**	$ 6,959
Cash equivalents	**185**	1,971
Restricted cash	**2,500**	2,500
Total	**$ 7,665**	$ 11,430

(b) Other cash flow information

For the three months ended:	March 31, 2024	March 31, 2023
Change in non-cash working capital		
Trade and other receivables	**$ (2,518)**	**$ 2,072**
Inventory	**-**	**777**
Prepaid expenses, deposits and other	**(455)**	**76**
Accounts payable, accrued liabilities and other	**2,522**	**(5,224)**
Deferred revenue	**(62)**	**789**
	$(513)	**$ (1,510)**
Non-cash investing activities		
Contingent consideration settled in shares	**$-**	$765

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximize shareholder value. The Company's capital is comprised of equity and long-term debt, net of cash and cash equivalents. The Company manages the capital structure and adjusts in response to changes in economic conditions and the risk characteristics of the underlying assets.

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

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

11. FINANCIAL INSTRUMENTS

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

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

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

Credit risk

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

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

The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of collections. As at March 31, 2024, the Company had $20,479 (December 31, 2023 – $17,596) of trade and other receivables, net of an allowance for expected credit losses of $2,309 (December 31, 2023 - $1,944).

Liquidity risk

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

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

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

As at March 31, 2024

	Less than one year	One to five years	More than five years	Total
Accounts payable, accrued liabilities and other	$ 19,907	$ -	$ -	$ 19,907
Lease liability	1,735	2,105	-	3,840
Long-term debt	15,886	2,656	-	18,542
	$ 37,528	**$ 4,761**	**$ -**	**$ 42,289**

As at December 31, 2023

	Less than one year	One to five years	More than five years	Total
Accounts payable, accrued liabilities and other	$ 17,901	$ -	$ -	$ 17,901
Lease liability	2,270	3,725	-	5,995
Long-term debt	17,494	3,580	-	21,074
	$ 37,665	**$ 7,305**	**$ -**	**$ 44,970**

Market risk

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

(a) Interest rate risk

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

At March 31, 2024, the Company had variable rate borrowing loans amounting to $15,750 (December 31, 2023 – $16,167). With all other variables held constant, a 1% increase in the interest rate would have increased the net loss by approximately $158 (December 31, 2023 – $162) for the three months ended March 31, 2024. There would be an equal and opposite impact on net loss with a 1% decrease in the interest rate.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company's US operations functional currency is USD, and therefore any fluctuation in USD relative to CAD will result in a change in other comprehensive income for the period.

The Company's exposure to foreign currency risk to profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities and as at the balance sheet date is immaterial. The impact on the Company's other comprehensive income based on the change in USD to CAD currency rate of 5% for the quarter ended March 31, 2024 would be $67 (March 31, 2023 ($613)).

12. DISCONTIUNED OPERATIONS

<u>VisionPros</u>

During the second quarter of 2023, management commenced a sale process to dispose its Vision Pros e-commerce business. As a result, the assets and liabilities of VisionPros have been classified as held-for-sale. As of the date of these consolidated financial statements, the Company has not reached a definitive arrangement to sell this business.

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

Clinic Services & Pharmacies segment

In September 2022, management committed to a plan to sell the following legal entities:

- South Surrey Medical Clinic (within the Clinic Services & Pharmacies segment)
- Healthvue Ventures Limited (within the Clinic Services & Pharmacies segment)
- Cloverdale Pharmacy Ltd. (within the Clinic Services & Pharmacies segment)
- Steveston Health Centre Ltd. (within the Clinic Services & Pharmacies segment)
- RX Infinity Inc., RXI Pharmacy Inc. & RXI Health Solutions (collectively “RXI” and within the Clinic Services & Pharmacies segment)
- Cloud Practice Inc. (within the Digital Health Solutions segment)

The above entities also represent the entirety of the Clinic Services & Pharmacies segment. The Company sold 100% of its shares in South Surrey Medical Clinic, Healthvue and Cloud Practice Inc. on November 1, 2022. The Company sold 100% of its shares in Steveston and Cloverdale Pharmacies on December 19, 2022. During the year ended December 31, 2023, the Company sold substantially all of the assets in RXI and is in the process of being wound down at March 31, 2024.

The results of the entities held-for-sale and other discontinued operations for the periods are presented below:

	Three months ended March 31	
	2024	**2023**
Revenue	**$1,654**	$4,131
Expenses	**2,236**	4,740
Operating loss	**$ (582)**	$ (609)
Finance costs	**(29)**	(5)
Loss before tax from discontinuing operations	**$ (611)**	$ (614)
Tax (expense)/benefit	**-**	-
Loss after tax for the period from discontinuing operations	**$ (611)**	$ (614)
Loss per share from discontinuing operations	**$ (0.00)**	$(0.00)

As at March 31, 2024, RXI and VisionPros have assets of $1,601 less liabilities of $1,055, detailed as below:

	As at March 31, 2024
Accounts receivable	$252
Prepaid expenses	52
Inventory	491
Property and equipment	790
Goodwill and intangible assets	-
Accounts payable and accrued liabilities	(614)
Lease liability	(441)
Total	**$546**

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

13. SEGMENTED INFORMATION

The Company has two operating segments and the Company's chief operating decision-maker is the Chief Executive Officer.

Health and Productivity Solutions ("HPS")

Health and Productivity Solutions (formerly Digital Health Solutions) are offered on a subscription or license to use basis. The solutions are sold to companies, insurers, clinics and pharmacies (including those owned by the Company) who use our technology to create connectivity, and improve the healthcare practitioner, client and user experience while creating efficiencies in administration.

Health and Wellness Services ("HWS")

Health and Wellness Services (formerly Enterprise Health Solutions) provides organizations with physical and mental health navigation and treatment through employee support services. Revenues within this division is earned through two pricing models:

- Subscription-based pricing model using a price per member per month with an average contractual term of 3 years; and,
- Per-case billing model at an agreed upon rate for services that are used in disability management, occupational health, and other employer services.

The demand for certain services within the HWS division that employ a per-case billing model is subject to seasonal fluctuations. This is attributable to lower patient and consumer visits and engagement in the summer months and around the holiday season at the end of the year. In addition, in our IDYA4 business, revenues tend to be higher in the fourth quarter of the year in-line with U.S. government budget spend.

A breakdown of revenue for each operating segment for the three months ended March 31, 2024 and 2023 is as follows:

		Three months ended		
		March 31, 2024		**March 31, 2023**
Health and Wellness Services	**$**	**21,731**	$	21,124
Health and Productivity Solutions		**1,074**		1,771
Total revenues	**$**	**22,805**	$	22,895

A geographic breakdown of revenue for each operating segment for the three months ended March 31, 2024 and 2023 is as follows:

Revenue		**March 31, 2024**		**March 31, 2023**
Canada	**$**	**19,224**	$	18,742
United States		**3,581**		4,153
Total	**$**	**22,805**	$	22,895

Total assets and total liabilities for each segment and geographic region is not information that is provided to and reviewed by the CODM.

14. SUBSEQUENT EVENTS

On May 15, 2024, the Company entered into and announced a definitive agreement (the "**Arrangement Agreement**") with an affiliate of CPS Capital, a private equity investment firm (the "**Purchaser**"), pursuant to which the Purchaser will acquire all of the issued and outstanding common shares of the Company for cash consideration of $0.04 per share (the "**Transaction**"). The Transaction will be implemented by way of a plan of arrangement under the Business Corporations Act (British Columbia) and is subject to approval by the Company's securityholders, the TSX Venture Exchange and the Supreme Court of British Columbia.

In connection with the Transaction, a forbearance agreement was entered into with the lender under the Facilities to provide financial and operational support over the Transaction period. The forbearance agreement provides the Company with a $2 million non-revolving term facility should the Company require capital to support business operations prior to the close of the Transaction, permission to withdraw up to $2.5 million from the Restricted Cash balance notwithstanding the exiting defaults, deferral of the scheduled principal repayments owing to the lender over the period prior to the close of the Transaction and requires bi-weekly updates to cash flows where all deposits and disbursements of the Company are monitored by an independent financial advisor. The Company also entered into an agreement with an affiliate of the Purchaser pursuant to which such party agreed to provide a $1.0 million bridge loan to the Company to support its liquidity needs during the interim period until closing of the Transaction.

Subject to the satisfaction (or waiver, as permitted) of the closing conditions in accordance with the Arrangement Agreement, the Transaction is expected to be completed in July 2024.