

**FORM 2B
LISTING APPLICATION**

Carebook

CAREBOOK TECHNOLOGIES INC.

Application for the listing on the TSX Venture Exchange of the common shares in the capital of Carebook Technologies Inc., the issuer resulting from the transactions described herein.

As of September 28, 2020

No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this application.

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APPENDICES

APPENDIX A Form 2B Personal Information Collection Policy

APPENDIX B Carebook Technologies Inc. Management’s Discussion and Analysis for the fiscal year ended
December 31, 2019

APPENDIX C Audited Consolidated Financial Statements for the years ended December 31, 2019 and December 31, 2018 of Carebook Technologies Inc.

APPENDIX D Carebook Technologies Inc. Management's Discussion and Analysis for the interim period ended June 30, 2020

APPENDIX E Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2020 and 2019 of Carebook Technologies Inc.

APPENDIX F Unaudited Pro Forma Financial Statements of the Resulting Issuer

ITEM 2A: GLOSSARY

Unless otherwise indicated or the context otherwise indicates, the following definitions are used in this Listing Application. Capitalized terms not otherwise defined herein will have the meanings ascribed thereto in the policies of the TSX Venture Exchange (the “TSXV”) and applicable securities laws. In the event of a conflict between a term defined in this glossary and a term defined in the policies of the TSXV, the definition of the TSXV will govern. Words importing the singular number only include the plural and vice versa, and words importing any gender include all genders.

“Affiliate”	means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by or is under common control with such Person.
“Amalco”	means the corporation resulting from the Amalgamation, which is expected to take the name Carebook Technologies (2020) Inc.
“Amalco Common Shares”	means the common shares in the capital of Amalco.
“Amalco Redeemable Shares”	means the redeemable preferred shares in the capital of Amalco to be issued to certain Carebook Shareholders pursuant to the Amalgamation in exchange for their Carebook Redeemable Shares.
“Amalgamating Parties”	means, collectively, Carebook and Pike Subco.
“Amalgamation”	means the amalgamation of Carebook and Pike Subco under the provisions of the CBCA on the terms set forth in the Business Combination Agreement and the Amalgamation Agreement.
“Amalgamation Agreement”	means the agreement to be entered into among Carebook, Pike and Pike Subco to effect the Amalgamation pursuant to the terms of the Business Combination Agreement.
“Audit Committee”	means the audit committee of the Resulting Issuer, as defined by NI 52-110.
“BCBCA”	means the <i>Business Corporations Act</i> (British Columbia).
“Blackout Period”	has the meaning ascribed to it under Item 12 - Stock Option Plan.
“Business Combination Agreement”	means the business combination agreement dated as of August 7, 2020 between Carebook and Pike pursuant to which such parties have agreed to complete the RTO on such terms and conditions set forth therein.
“Carebook”	means Carebook Technologies Inc., a corporation existing under the CBCA, and includes its predecessors.
“Carebook Board”	means the board of directors of Carebook as the same is constituted from time to time.
“Carebook Broker Warrants”	means the unit purchase warrants to purchase Carebook Units, exercisable at \$2.50 per Carebook Unit and expiring on the date that is 24 months following the Effective Date, issuable to the Private Placement Agents in connection with the Private Placement.
“Carebook Common Shares”	means the class A common shares, class B common shares, class C common shares and Class D common shares series D-1 and Class D common shares series D-2 in the capital of Carebook as presently constituted.
“Carebook Financial Statements”	means the audited consolidated financial statements for the years ended December 31, 2019 and December 31, 2018 and the unaudited condensed interim consolidated financial statements for the three and six months ended

	June 30, 2020 and 2019, which are attached to this listing application as Appendix C and Appendix E, respectively.
"Carebook Option"	means an issued, outstanding and unexercised option to acquire Carebook Common Shares that has been issued to current or former Carebook employees that has not terminated or expired.
"Carebook Preferred Shares"	means the class A preferred shares in the capital of Carebook as presently constituted.
"Carebook Principal Warrant"	means an issued and outstanding warrant to acquire Carebook Common Shares that has been issued to certain key Carebook Shareholders, and that has not expired.
"Carebook Redeemable Shares"	means a new class of redeemable preferred shares of Carebook to be created pursuant to the Carebook Reorganization and to be issued to certain Carebook Shareholders in exchange for a portion of their Carebook Common Shares in order to implement the Secondary Portion.
"Carebook Reorganization"	means the transactions, acts, or events to be completed prior to the Effective Time as are necessary or desirable in order to implement the Private Placement, Amalgamation, Secondary Portion or other transactions contemplated under the Business Combination Agreement and under the Amalgamation Agreement, including the transactions indicated in Schedule "B" of the Business Combination Agreement.
"Carebook Shareholder"	means the holder from time to time of Carebook Common Shares or Carebook Preferred Shares.
"Carebook Subco"	means Carebook Technologies (OPS) Inc., a wholly-owned subsidiary of Carebook newly incorporated under the CBCA for the sole purpose of effecting the Carebook Reorganization.
"Carebook Subscription Receipts"	means the subscription receipts issued by Carebook pursuant to the Private Placement, with each such subscription receipt convertible, for no additional consideration, into one Carebook Unit upon the satisfaction of the Escrow Release Conditions on the Effective Date.
"Carebook Unit"	means a unit of Carebook comprised of one Carebook Common Share and one-half of one Carebook Warrant.
"Carebook Warrants"	means the common share purchase warrants of Carebook, each such common share purchase warrant entitling the holder thereof to purchase one Carebook Common Share in accordance with the terms of such warrants.
"CBCA"	means the <i>Canada Business Corporations Act</i> .
"CEO"	means chief executive officer.
"CFO"	means chief financial officer.
"Code"	means the code of business conduct to be adopted by the Resulting Issuer Board following the completion of the RTO.
"Consolidation"	means (i) the consolidation of the Pike Common Shares based on the Consolidation Ratio to be effected on the Effective Date, and (ii) the adjustment to the terms of the Pike Broker Warrants to give effect to such consolidation.
"Consolidation Ratio"	has the meaning ascribed to it under Item 2C – Description of the RTO – The Business Combination Agreement and the RTO.
"CSE"	means the Canadian Securities Exchange.

“Demand Distribution”	has the meaning ascribed to it under Item 15 – Principal Securityholders – Agreements with MedTech.
“Director”	means the director appointed under Section 260 of the CBCA.
“Effective Date”	means the date shown on the certificate of amalgamation issued by the Director giving effect to the Amalgamation.
“Effective Time”	means 12:01 a.m. (Vancouver time) on the Effective Date.
“Eligible Persons”	has the meaning ascribed to it under Item 12 – Stock Option Plan.
“Escrow Agent”	means TSX Trust, as escrow agent in respect of the Resulting Issuer Escrow Shares.
“Escrow Release Conditions”	has the meaning ascribed to it under Item 6 – Financing.
“Escrow Release Date”	means the date the Escrowed Funds will be released to Carebook upon the satisfaction or waiver of the Escrow Release Conditions.
“Escrowed Funds”	has the meaning ascribed to it under Item 6 – Financing.
“Final Exchange Bulletin”	means the TSXV Bulletin which is issued following the submission of all required documentation and that evidences the final TSXV acceptance of the Listing.
“IFRS”	means the International Financial Reporting Standards.
“Investor Relations Services Agreement”	has the meaning ascribed to it under Item 25 – Investor Relations Arrangements.
“Investor Rights Agreement”	means the investor rights agreement to be entered into between the Resulting Issuer and Medtech, to be effective on the Effective Date.
“Lead Agent”	means Canaccord Genuity Corp.
“Letter of Intent”	has the meaning ascribed to it under Item 2C – Description of the RTO – Background of RTO.
“Listing”	means the listing on the TSXV of the Resulting Issuer Common Shares.
“Listing Application”	means this TSXV Form 2B Listing Application to list on the TSXV.
“Loderock”	has the meaning ascribed to it under Item 25 – Investor Relations Arrangements.
“McKesson”	has the meaning ascribed to it under the Item 27 – Material Contracts.
“MedTech”	means MedTech Investment, L.P. and its parallel fund, MedTech Investment (International), L.P.
“Name Change”	means the change of Pike’s name to Carebook Technologies Inc. or such other name designated by Carebook and that is acceptable to the applicable governmental entities.
“Named Executive Officer”	has the meaning ascribed to it under the Item 17 – Executive Compensation.
“NEO”	has the meaning ascribed to it under Item 17 – Executive Compensation.
“NI 52-109”	means National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings.
“NI 52-110”	means National Instrument 52-110 – Audit Committees.
“NI 58-101”	means National Instrument 58-101 – Disclosure of Corporate Governance

	Practices.
"NP 58-201"	means National Policy 58-201 – Corporate Governance Guidelines.
"Person"	includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.
"Pike"	means Pike Mountain Minerals, prior to the completion of the RTO.
"Pike Broker Warrants"	means the Pike broker warrants issued and outstanding, each such warrant entitling the holder thereof to acquire one pre-Consolidation Pike Common Share at a price of \$0.10 until September 16, 2021.
"Pike Circular"	means the notice of the Pike Meeting and accompanying management information circular, including all schedules and appendices attached thereto, sent to the Pike Shareholders in connection with the Pike Meeting.
"Pike Common Shares"	means the common shares in the capital of Pike (prior to completion of the RTO).
"Pike Escrow Agreement"	means the escrow agreement dated February 8, 2019 by and among Pike, TSX Trust, in its capacity as escrow agent for the Pike Common Shares, and certain holders of Pike Common Shares.
"Pike Financial Statements"	means the audited consolidated financial statements of Pike for the years ended September 30, 2019 and the period from July 11, 2018 (date of incorporation) to September 30, 2018 and the unaudited condensed interim consolidated financial statements of Pike for three and nine months ended June 30, 2020 and 2019, available on Pike's SEDAR profile at www.sedar.com and incorporated by reference herein.
"Pike Meeting"	means the special meeting of Pike Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Business Combination Agreement, the constating documents of Pike and/or the BCBCA, that was called and held to consider the matters set out in the notice provided to Pike Shareholders in connection with such meeting.
"Pike Meeting Matters"	means the matters that were presented and voted on at the Pike Meeting as set out in Pike Circular.
"Pike Option"	means an incentive stock option entitling the holder thereof to acquire one Pike Common Share granted under the stock option plan adopted by Pike as of December 17, 2018, as amended.
"Pike Option Agreement"	means that certain option agreement entered into on August 1, 2018 between Pike and Eastland Management Ltd. relating to the Otter property in British Columbia.
"Pike Option Termination Agreement"	means an option release and termination agreement executed by a Pike Option holder who does not exercise in full all of his, her or its outstanding Pike Options prior to the Effective Time, pursuant to which each such holder surrenders his, her or its Pike Options, renounces his, her or its rights under the Pike Options and waives any and all past, present and future rights and claims arising therefrom, and pursuant to which the Pike Options held by such holder will be automatically cancelled and terminated immediately prior to the completion of the Amalgamation, without any further payment by Pike or by any other Person.
"Pike Replacement Warrants"	means the replacement warrants of Pike to be issued in exchange for and replacement of the Carebook Warrants, each such Pike Replacement Warrant entitling the holder thereof to purchase such number of Pike Common Shares as is equal to the number of Carebook Common Shares issuable pursuant to the

	Carebook Warrants immediately prior to the filing of the articles of amalgamation at an exercise price of \$3.125 per Pike Common Share (being the exercise price equal to the original exercise price per Carebook Common Share of the Carebook Warrants).
"Pike Shareholders"	means the holders of Pike Common Shares from time to time.
"Pike Subco"	means 12235978 Canada Ltd., a wholly-owned subsidiary of Pike newly incorporated under the CBCA for the sole purpose of effecting the Amalgamation.
"Pike Subco Common Shares"	means the common shares in the capital of Pike Subco.
"Pike Units"	means units of Pike issuable upon exercise of the Resulting Issuer Broker Warrants, each such unit comprised of one Pike Common Share and one half of a Pike Replacement Warrant.
"Pike Warrants"	means the issued and outstanding private placement warrants of Pike, each such warrant entitling the holder thereof to acquire one pre-Consolidation Pike Common Share at a price of \$0.06 per Pike Common Share until November 13, 2021.
"Pike Warrant Termination Agreement"	means a warrant release and termination agreement executed by a Pike Warrant holder who does not exercise in full all its outstanding Pike Warrant prior to the Effective Time, pursuant to which such holder surrenders its Pike Warrants, renounces its rights under the Pike Warrants and waives any and all past, present and future rights and claims arising therefrom, and pursuant to which the Pike Warrant held by such holder will be automatically cancelled and terminated immediately prior to the completion of the Amalgamation, without any further payment by Pike or by any other Person.
"Policies"	means NI 58-101 and NP 58-201.
"Private Placement"	means the private placement offering, on both a brokered and non-brokered basis, for aggregate gross proceeds of \$21,000,000 of (i) 6,932,000 Carebook Subscription Receipts at a price of \$2.50 per Carebook Subscription Receipt, pursuant to the terms and conditions of the Private Placement Agency Agreement, which closed on August 7, 2020, (ii) 400,000 Carebook Units at a price of \$2.50 per Carebook Unit, pursuant to the terms and conditions of subscription agreements entered into with certain members of Carebook management or Affiliates thereof, and (iii) 1,068,000 Carebook Units at a price of \$2.50 per Carebook Unit, pursuant to the terms and conditions of subscription agreements entered into with certain arm's length investors.
"Private Placement Agency Agreement"	means the agency agreement dated August 7, 2020 among Carebook and the Private Placement Agents entered into in connection with the brokered portion of the Private Placement.
"Private Placement Agents"	means Canaccord Genuity Corp., Raymond James Ltd., Gravitas Securities Inc., Beacon Securities Limited and Cormark Securities Inc, as agents in connection with the brokered portion of the Private Placement.
"Private Placement Agents' Fee"	means a cash commission equal to 6.0% of the aggregate gross proceeds raised in the Private Placement (subject to reduction to a cash commission equal to 0.0% of the gross proceeds in respect of any orders included on a "president's list" up to \$1,000,000).
"Registration Rights Agreement"	means the registration rights agreement to be entered into between the Resulting Issuer and MedTech, to be effective on the Effective Date.
"Resulting Issuer"	means Pike (which will then be named "Carebook Technologies Inc." or such

	other name as determined by Carebook) after giving effect to the RTO.
"Resulting Issuer Board"	means the board of directors of Carebook as the same is constituted from time to time, following the completion of the RTO.
"Resulting Issuer Broker Warrants"	means the purchase warrants to purchase a Resulting Issuer Unit, exercisable at \$2.50 and expiring on the date that is 24 months following the Escrow Release Date (and which, upon completion of the RTO, will have replaced the Carebook Broker Warrants).
"Resulting Issuer Common Shares"	means the common shares in the capital of the Resulting Issuer, post-RTO.
"Resulting Issuer Escrow Agreement"	means the escrow agreement in the form of the Exchange's Form 5D to be entered into by and among the Escrow Agent, the Resulting Issuer and certain principals of the Resulting Issuer prior to the completion of the RTO.
"Resulting Issuer Escrow Shares"	means the Resulting Issuer Common Shares to be held in escrow by the Escrow Agent pursuant to the Resulting Issuer Escrow Agreement.
"Resulting Issuer Options"	means the options to purchase Resulting Issuer Common Shares issued pursuant to and governed by the Resulting Issuer Plan.
"Resulting Issuer Plan"	means the stock option plan of the Resulting Issuer which was approved by the Pike Shareholders at the Pike Meeting and which will be implemented in connection with the RTO.
"Resulting Issuer Preferred Shares"	means the preferred shares in the capital of the Resulting Issuer, post-RTO.
"Resulting Issuer Principal Warrants"	means the warrants to purchase Resulting Issuer Common Shares to be issued to certain key holders of the Resulting Issuer Common Shares in replacement of the Carebook Principal Warrants.
"Resulting Issuer Replacement Warrants"	means the replacement warrants to be issued in exchange for and replacement of the Pike Broker Warrants, each such Resulting Issuer Replacement Warrant entitling the holder thereof to purchase such number of Resulting Issuer Common Shares as would have resulted if the exercise of the Pike Broker Warrants had taken place prior to the Consolidation, and the exercise price per Resulting Issuer Common Share will be adjusted accordingly.
"Resulting Issuer Unit"	means a unit of the Resulting Issuer comprised of one Resulting Issuer Common Share and one-half of one Resulting Issuer Warrant.
"Resulting Issuer Warrant"	means the common share purchase warrants in the capital of the Resulting Issuer, each such common share purchase warrant entitling the holder thereof to acquire one Resulting Issuer Common Share at a price of \$3.125 for a period of 24 months following the Escrow Release Date in accordance with the terms of such warrants.
"RTO"	means the business combination of Pike, Pike Subco and Carebook by way of a "three-cornered" amalgamation under the provisions of the CBCA, and will be read to include, collectively, as the context permits or requires, the Amalgamation, the Carebook Reorganization, the Consolidation, the Name Change and such other transactions contemplated by the Business Combination Agreement and the Amalgamation Agreement.
"Secondary Portion"	means the redemption of the Amalco Redeemable Shares in connection with the completion of the RTO, as more fully described under Item 6 – Financing.
"SEDAR"	means the System for Electronic Document Analysis and Retrieval.
"Share Split"	means the split of the Carebook Common Shares on a 1.725-for-one basis prior

	to the completion of the Amalgamation.
“Subscription Receipt Agent”	means TSX Trust, as agent of the Carebook Subscription Receipts issued pursuant to the Private Placement.
“Subscription Receipt Agreement”	means the subscription receipt agreement dated August 7, 2020 by and among the Subscription Receipt Agent, Pike, Carebook and the Lead Agent (on behalf of the Private Placement Agents) in connection with the Private Placement.
“Support Agreements”	has the meaning ascribed to it under Item 2C – Approvals Necessary for the RTO – Shareholder Approval.
“Termination Date”	has the meaning ascribed to it under Item 6 – Financing – Private Placement.
“TSX Trust”	means TSX Trust Company.
“TSXV” or the “Exchange”	means the TSX Venture Exchange.
“Warrant Indenture”	means the warrant indenture dated August 7, 2020 entered into between Carebook and TSX Trust, as warrant agent, governing the creation and issue of the Carebook Warrants, as subsequently supplemented.

ITEM 2B: NOTICE TO READERS

Cautionary Statement Regarding Forward Looking Information

This Listing Application contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the growth, results of operations, performance and business prospects and opportunities of Carebook or the Resulting Issuer. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Listing Application may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements are necessarily based on estimates and assumptions made by management in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as factors that management believe are appropriate. Forward-looking statements in this Listing Application include, but are not limited to: the anticipated closing and Effective Date; the anticipated use of the Escrowed Funds (following the release thereof) by the Resulting Issuer; the Resulting Issuer's anticipated capital structure; the anticipated legal name of the Resulting Issuer; the anticipated Consolidation Ratio; the anticipated continuance of Carebook Subco and Amalco under the BCBCA and their anticipated amalgamation with the Resulting Issuer; the anticipated escrow periods, release schedules and contractual restrictions on transfer affecting the securities of the Resulting Issuer; the expectations of management regarding the payment of dividends; the proposed directors, officers and insiders of the Resulting Issuer and their holdings of securities of the Resulting Issuer; the expected executive compensation and corporate governance practices of the Resulting Issuer; the future growth, results of operations, performance and business prospects and opportunities of Carebook (and therefore, the Resulting Issuer); the funds available to the Resulting Issuer; the business objectives of Carebook (and therefore, the Resulting Issuer); the impacts of the COVID-19 pandemic on the business and operations of Carebook (and therefore, the Resulting Issuer).

These forward-looking statements are based on the beliefs of the management of Carebook as well as on assumptions which management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and beliefs include, among other things: the ability of Pike, Pike Subco and Carebook to satisfy all conditions precedent and obtain all regulatory approvals for the RTO, including by the dates indicated; the anticipated costs to complete the RTO; that Carebook (and, therefore, the Resulting Issuer), will be able to execute its business strategy successfully such that the future growth, results of operations, performance and business prospects and opportunities of Carebook (and therefore, the Resulting Issuer) will be as anticipated; the demand for the technology of Carebook (and therefore, the Resulting Issuer); the ability for Carebook (and therefore, the Resulting Issuer) to maintain existing strategic partnerships and attract new partners; the ability for Carebook (and therefore, the Resulting Issuer) to obtain and maintain existing financing on acceptable terms; the ability for Carebook (and therefore, the Resulting Issuer) to retain skilled management and staff; the ability for Carebook (and therefore, the Resulting Issuer) to commercialize its technology; the impact of the COVID-19 pandemic on the market demand for the products of Carebook (and therefore the products of the Resulting Issuer).

Although management of Carebook believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Carebook cannot guarantee future results, levels of activity, performance, or achievements. Some of the risks and other factors, some of which are beyond the control of Carebook, which could cause results to differ materially from those expressed in the forward-looking statements contained in this Listing Application include, but are not limited to: market volatility in the Resulting Issuer Common Shares; dilution of shareholders from future sales of the Resulting Issuer's securities; failure to satisfy all conditions precedent or to obtain all regulatory approvals for the RTO; dependency on subsidiaries for cash to fund operations and expenses of the Resulting Issuer; litigation; dividends; market for the Resulting Issuer Common Shares; disclosure controls and procedures and internal controls over financial reporting; discretion over use of proceeds; heavily regulated industry; privacy and security regulations; immature and volatile

digital health and telehealth market; dependence on strategic partners; information security breaches and disruptions; growth limitations; additional financing and sources; development and enhancement of new products; competitive environment; attracting and retaining key personnel; limited number of customers; international expansion; international operations; acquisition and expansion; dependence on third party technologies; failure to secure research grants; use of open source software; intellectual property and other proprietary rights; public company status; liquidity; director conflict of interests; COVID-19; and acts of god.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding Carebook or the Resulting Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this Listing Application generally and certain economic and business factors, some of which may be beyond the control of Carebook (and therefore the Resulting Issuer). Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading “*Item 21 – Risk Factors*”. Neither Carebook nor the Resulting Issuer intends, and neither assumes any obligation, to update any of the forward-looking statements after the date of this Listing Application so as to conform such statements to actual results or to changes in the expectations of Carebook, other than as required by applicable securities law. For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Resulting Issuer’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Resulting Issuer’s business, or if Carebook’s estimates or assumptions prove inaccurate. The forward-looking statements contained in this Listing Application are expressly qualified by this cautionary statement.

Reporting Currency

Unless otherwise indicated, all references to “\$” or “Canadian dollars” in this Listing Application refer to Canadian dollars. Carebook’s financial statements incorporated herein are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

Market and Industry Data

The market and industry data contained in this Listing Application are based upon information from independent industry and other publications and Carebook’s management’s knowledge of, and experience in, the industry in which Carebook operates. None of the sources of market and industry data has provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, the RTO. Market and industry data are subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data at any particular point in time, the voluntary nature of the data gathering process or other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data are not guaranteed. Carebook has not independently verified any of the data from third party sources referred to in this Listing Application or ascertained the underlying assumptions relied upon by such sources. References in this Listing Application to research reports or to articles and publications should not be construed as depicting the complete findings of the entire referenced report or article. The information in each report or article is expressly not incorporated by reference into this Listing Application.

Information Contained in this Listing Application

The information contained in this Listing Application is given as at September 28, 2020, except where otherwise noted.

No Person has been authorized to give any information or to make any representation in connection with the RTO and other matters described herein other than those contained in this Listing Application and, if given or made, any such information or representation should be considered not to have been authorized by Carebook or the Resulting Issuer and should not be relied upon.

The information concerning each party contained in this Listing Application has been provided by management of

that party. Although the parties have no specific knowledge that would indicate that any of such information regarding the other party is untrue or incomplete, the parties assume no responsibility for the accuracy or completeness of information or the failure by the other party to disclose events which may have occurred or may affect the completeness or accuracy of such information which are unknown to that party.

This Listing Application does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any Person in any jurisdiction.

Information contained in this Listing Application should not be construed as legal, tax or financial advice and readers are urged to consult their own professional advisers in connection therewith.

All financial information in this Listing Application has been prepared in accordance with IFRS, unless otherwise noted. The financial year end of Carebook is December 31.

ITEM 2C: DESCRIPTION OF THE RTO

Background of RTO

Pike was incorporated on July 11, 2018 under the BCBCA as “Pike Mountain Minerals Inc.” and is a “reporting issuer” (within the meaning of applicable securities legislation) in the Provinces of British Columbia, Alberta and Ontario. On September 16, 2019, Pike completed its initial public offering of 4,390,000 Pike Common Shares at a price of \$0.10 per Pike Common Share for gross proceeds of \$439,000. The Pike Common Shares began trading on the CSE on September 17, 2019 under the trading symbol “PIKE”.

During the month of June 2020, representatives of Carebook entered into discussions with representatives of Pike to explore the possibility of combining the business of Pike and Carebook through a reverse takeover transaction. On June 26, 2020, the parties entered into a letter of intent to set out the basis upon which the parties would continue discussions in connection with a proposed reverse takeover of Pike by Carebook (the “**Letter of Intent**”). During the month of July 2020, the parties conducted customary due diligence investigations on each other and negotiated the terms and conditions of the Business Combination Agreement, the Amalgamation Agreement, the Support Agreements and certain other matters ancillary to the RTO. On August 7, 2020, the parties entered into the Business Combination Agreement which superseded and replaced the Letter of Intent and describes the principal terms and conditions of the RTO, and publicly announced their agreement to complete the RTO. In connection with the execution of the Business Combination Agreement, the Pike Common Shares were delisted from the CSE. As of the date of this Listing Application, the Pike Common Shares are not listed or quoted for trading on any stock exchange.

Since the execution of the Business Combination Agreement, each of Pike and Carebook has taken all actions as were within its power to control and used commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to complete the RTO.

Reasons for the RTO

The RTO, together with the release of the Escrowed Funds, will provide Carebook with additional capital to pursue its business objectives. The RTO will also provide Carebook with potentially greater access to capital markets in the future and may facilitate the completion of acquisitions on accretive terms in the future. Further, the RTO provides the potential for liquidity to Carebook’s existing shareholders.

Summary of the RTO and Related Transactions

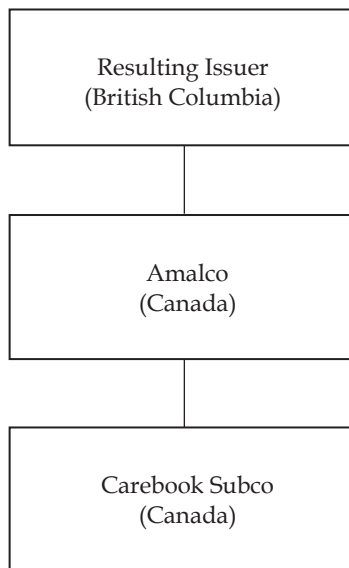
In connection with the completion of the RTO and pursuant to the Business Combination Agreement and the Subscription Receipt Agreement, it is anticipated that the following transactions will be completed:

- (a) the Carebook Reorganization will be completed, the steps of which are described further below under the heading “*The Carebook Reorganization*”;

- (b) the Consolidation will be completed, the details of which are described further below under the heading *"The Consolidation"*;
- (c) the Subscription Receipts will be exchanged for Carebook Common Shares and Carebook Warrants, which will then be exchanged for Resulting Issuer Common Shares and Resulting Issuer Warrants;
- (d) the Escrowed Funds will be released from escrow and remitted to Carebook, subject to the terms of the Subscription Receipt Agreement;
- (e) Pike will cause the current directors and officers of Pike and Pike Subco to resign, and Carebook will designate the Resulting Issuer Board and management prior to the Effective Date;
- (f) immediately prior to the completion of the Amalgamation, Pike Warrants and Pike Options will be cancelled and terminated and Pike will use commercially reasonable efforts to arrange, on or prior to the Amalgamation, for the Pike Broker Warrants to be exercised and cancelled (and any Pike Broker Warrant which has not been exercised and cancelled and which remains outstanding at the Effective Time will be replaced with one Resulting Issuer Replacement Warrant on economically equivalent terms after giving effect to the Share Split and the Consolidation, and each such Pike Broker Warrant will be cancelled);
- (g) Pike will acquire Carebook through the Amalgamation, the steps of which are described further below under the heading *"Item 2C – Description of the RTO – The Business Combination Agreement and the RTO – Amalgamation Steps"*.
- (h) pursuant to the Amalgamation Agreement, each Amalco Redeemable Share will be automatically redeemed by Amalco at a redemption price of \$1.00 per Amalco Redeemable Share, payment of which will be satisfied by Amalco using \$5,330,000 of the proceeds from the Private Placement, immediately following the Effective Time; and
- (i) the Resulting Issuer will be renamed "Carebook Technologies Inc.", or such other name as determined by Carebook.

The RTO is intended to be completed prior to the Listing and will result in the reverse takeover of Pike by the shareholders of Carebook. Completion of the RTO is subject to compliance with the terms and conditions set forth in the Business Combination Agreement, which are discussed further below under the heading *"Item 2C – Description of the RTO – The Business Combination Agreement and the RTO – Conditions of the RTO"*. If the terms and conditions of the Business Combination Agreement are satisfied (or waived, as applicable), it is expected that the RTO will be completed and become effective on or about October 1, 2020 or such other date as may be determined by the parties thereto. However, the effective date of the RTO could be delayed for a number of reasons. See *"Item 21 – Risk Factors"*.

A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below. See *"Item 4 – Corporate Structure"*.



The terms of the RTO, as set out in the Business Combination Agreement and summarized below, were established through arm's length negotiations between the respective management of Carebook and Pike.

The Business Combination Agreement and the RTO

The Business Combination Agreement provides for the reverse takeover of Pike by the shareholders of Carebook by way of a three-cornered amalgamation under the provisions of the CBCA, pursuant to which Carebook and Pike Subco will amalgamate and continue as one corporation to be known as Amalco, and Pike will acquire a 100% interest in Amalco. The following is a summary of the Business Combination Agreement and is qualified in its entirety by the full text of the Business Combination Agreement, which has been filed on SEDAR and is incorporated by reference herein.

Representations, Warranties and Covenants

Carebook and Pike agreed to certain representations and warranties relating to, among other things: the incorporation and registration of each party; the power and authority to enter into and perform the obligations under the Business Combination Agreement and its related agreements; required approvals; no conflict; compliance with law; the binding nature and validity of the Business Combination Agreement and its related agreements; the capitalization of each party; the absence of litigation; the financial statements of each party; the conduct of their business; the payment of taxes, the absence of investment and funding obligations; the material properties and assets of each party; their material contracts; payments required to be made to directors, officers and employees of each party; their status under Canadian securities laws; payments to experts; third party consents; the availability and accuracy of the information provided; and the accuracy of the statements made by each party. Some of these representations and warranties were also made by Pike in respect of Pike Subco.

In addition, Pike agreed to other representations and warranties relating to, among other things: the listing of Pike Common Shares; the continuous disclosure of Pike and the absence of material changes; the absence of discussions or intents to enter into transactions similar to the RTO; the termination of material obligations; cash on hand and debt; and the absence of activities, liabilities or obligations of Pike Subco.

Conditions of the RTO

The Business Combination Agreement contains a number of conditions precedent to the obligations of Pike and Carebook. Unless all such conditions are satisfied or waived by the party for whom benefit such conditions exist, to the extent it may be capable of waiver, the RTO will not proceed. There is no assurance that these conditions will be satisfied or waived on a timely basis, or at all. The conditions to the RTO becoming effective are set out in the Business Combination Agreement and are summarized below.

Mutual Conditions Precedent

The parties are not required to complete the Amalgamation unless each of the following conditions is satisfied on or prior to the Effective Date, which conditions may only be waived by the mutual consent of each of the parties:

- (a) the Amalgamation has been approved and adopted by a special resolution of the Carebook Shareholders;
- (b) no law is in effect that makes the consummation of the Amalgamation illegal or otherwise prohibits or enjoins Carebook, Pike Subco or Pike from consummating the Amalgamation;
- (c) each regulatory approval necessary to consummate the Amalgamation has been made, given or obtained on terms acceptable to Carebook and Pike, each acting reasonably, and each such regulatory approval is in force and has not been modified;
- (d) the Private Placement will have been completed;
- (e) Pike will, assuming completion of the transactions contemplated by the Business Combination Agreement and the Amalgamation Agreement, comply with the original listing requirements of the TSXV;
- (f) no law will have been introduced, enacted or announced, that makes the consummation of any of the transactions contemplated by the Business Combination Agreement and the Amalgamation Agreement illegal or otherwise prohibited or enjoins the consummation of any of the transactions contemplated by the Business Combination Agreement and the Amalgamation Agreement to prevent Pike, Pike Subco or Carebook from completing the RTO;
- (g) Pike will have obtained a conditional approval letter from the TSXV for the transactions contemplated by the Business Combination Agreement and the Amalgamation Agreement, including the listing on the TSXV of the Resulting Issuer Common Shares, as required by the TSXV, and both Carebook and Pike being satisfied that all conditions set forth in such letter have either been fulfilled or waived or are capable of being fulfilled or waived, each acting reasonably; and
- (h) there will not be any pending or threatened suit, action or proceeding by any Person before any governmental entity, that has a significant likelihood of success, seeking to restrain or prohibit or materially delay the consummation of the RTO; or seeking to obtain from Pike, Pike Subco, Carebook or Amalco any damages that are material in relation to such party.

Conditions for the Benefit of Pike

The completion of the RTO is subject to the following conditions being satisfied at or prior to the Effective Date, which conditions are for the exclusive benefit of Pike and may be waived, in whole or in part, by Pike in its sole discretion:

- (a) all representations and warranties of Carebook were true and correct as of the date of the Business Combination Agreement and are true and correct as of the Effective Date;
- (b) Carebook will have fulfilled or complied with all covenants contained in the Business Combination

Agreement and any related documents to be fulfilled or complied with by Carebook at or prior to the Effective Date, and Carebook will have executed and delivered a certificate to that effect;

- (c) there will not have occurred a material adverse effect with respect to Carebook; and
- (d) immediately prior to the Amalgamation, Carebook will have no more than 41,000,000 Carebook Common Shares outstanding on a fully diluted basis, which gives effect to the Share Split, the Secondary Portion, the conversion of the Carebook Preferred Shares, and includes all the Carebook Common Shares underlying the Carebook Options, Carebook Principal Warrants and securities issued in connection with the Private Placement as further described in *"Item 6 - Financing - Private Placement"*.

Conditions for the Benefit of Carebook

The completion of the RTO is subject to the following conditions being satisfied at or prior to the Effective Date, which conditions are for the exclusive benefit of Carebook and may be waived, in whole or in part, by Carebook in its sole discretion:

- (a) the Amalgamation has been approved and adopted by Pike;
- (b) all representations and warranties of Pike were true and correct as of the date of the Business Combination Agreement and are true and correct as of the Effective Date;
- (c) Pike will have fulfilled or complied with all covenants contained in the Business Combination Agreement and any related agreements to be fulfilled or complied with by it at or prior to the Effective Date, and Pike will have delivered to Carebook a certificate of a senior officer of Pike to that effect;
- (d) Pike Shareholders and Pike board of directors will have approved the Pike Meeting Matters;
- (e) Pike will have completed and filed all necessary documents in accordance with the BCBCA in respect of the Pike Meeting Matters and the Consolidation and Name Change will be effective;
- (f) all securities of Pike will have been delisted from the CSE without any surviving or remaining requirements, filings, payments, liabilities or other formalities remaining in favour of the CSE or any securities commission or securities regulatory authority;
- (g) Pike will have no liabilities or obligations (contingent or otherwise), inclusive of liabilities relating to the fees and disbursements of its legal counsel and auditors appointed in connection with the Amalgamation, and Pike will have executed and delivered to Carebook a certificate to that effect;
- (h) Pike will have conducted its affairs in the ordinary course of business, including not having issued securities or options to acquire securities or commitments to issue securities (other than the exercise of options and warrants outstanding as of the date hereof in accordance with their terms, if any), and not having acquired or disposed of any assets or securities other than in the ordinary course of business;
- (i) all of the current directors and officers of Pike and Pike Subco will have resigned without payment by or any liability to Pike, Carebook, Pike Subco or Amalco, and each such director and officer will have executed and delivered a release in favour of Pike, Carebook, Pike Subco and Amalco, in a form acceptable to Carebook;
- (j) Pike will have caused the termination of all agreements involving Pike relating to administration, leases or other material obligations (including, for greater certainty, the Pike Option Agreement), without any further liability to Pike, Carebook, Pike Subco, Amalco, or the issuer resulting from the completion of the RTO;
- (k) There will be no Pike Options or Pike Warrants outstanding (either because they have been exercised or, for

those that are not exercised, Pike has delivered to Carebook duly executed Pike Warrant Termination Agreements or Pike Option Termination Agreements, as applicable);

- (l) Pike will deliver to Carebook certificates representing the Resulting Issuer Replacement Warrants for those holders who did not exercise their Pike Broker Warrants, countersigned by such holders;
- (m) Pike will have cash on hand of not less than \$400,000 (net of expenses relating to the completion of the Amalgamation and all the transactions in connection therewith and as contemplated by the Business Combination Agreement and the Amalgamation Agreement incurred by Pike, but inclusive of any GST receivables in an amount not to exceed \$7,500) and Pike will have executed and delivered a certificate to that effect, and any deviations from this amount must be previously approved in writing by the CFO of Carebook, at his sole discretion;
- (n) on the Effective Date, no cease trade order or similar restraining order of any other provincial securities administrator relating to the Pike Common Shares will be in effect;
- (o) the distribution of replacement broker warrants, Amalco Redeemable Shares, Carebook Redeemable Shares, and common shares of the issuer resulting from the RTO will be issued or be issuable as fully paid and non-assessable shares in the capital of Pike, Carebook or Amalco, as applicable, free and clear of any and all transfer restrictions, except those imposed pursuant to the escrow restrictions of the TSXV, and will be exempt from the prospectus and registration requirements of applicable Canadian securities law, either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian securities laws and will not be subject to resale restrictions under applicable Canadian securities laws (other than as applicable to control persons) or pursuant to section 2.6 of National Instrument 45-102 – Resale of Securities of the Canadian Securities Administrators); and
- (p) there will not have occurred a material adverse effect with respect to Pike.

Covenants of the Parties during the Period prior to the Effective Date

During the period between the date of the Business Combination Agreement and the earlier of the Effective Date and the termination of the Business Combination Agreement, except (i) as otherwise expressly contemplated by the Business Combination Agreement and (ii) in the case of Carebook, in connection with the Carebook Reorganization, Carebook and Pike will conduct each of their businesses in the ordinary course, and Pike will cause Pike Subco not to carry out any activities nor to incur any debts, liabilities or obligations of any kind.

Under the Business Combination Agreement, each party will take all such actions that are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the applicable conditions precedent in favour of the other party as set forth in the Business Combination Agreement and any related documents.

Furthermore, under the Business Combination Agreement, each party must notify the other party in writing of, among other things, any material adverse effect or a material breach by each party of any representation, warranty or covenant provided for in the Business Combination Agreement.

Pike and Carebook entered a non-disclosure agreement whereby the parties are subject to customary confidentiality covenants. Under the Business Combination Agreement, the parties remain subject to the terms of the non-disclosure agreement, and the obligations thereunder are to survive the termination of the Business Combination Agreement.

Exclusivity

From the date of the Business Combination Agreement until the earlier of (i) the termination of Business Combination Agreement in accordance with its terms and (ii) the Effective Date, (the “**Standstill Period**”), Pike and its agents will not, nor will they permit any of their respective directors, officers, employees, representatives or agents

to encourage, solicit or accept any offer for the purchase of outstanding securities of Pike or the business or the assets of Pike, whether as a primary or backup offer, or take any other action that would reasonably be expected to lead to any commitment or agreement to sell Pike or the business or the assets of Pike, or any other transaction which would be inconsistent with the transactions and the other matters contemplated in the Business Combination Agreement. In addition, Pike agrees that during the Standstill Period, no access will be given to any third party to any of Pike's premises, to any confidential information or any other information relating to Pike for the purpose of enabling that third party to make a determination as to whether to enter into a transaction with Pike or other persons that would be inconsistent with the transactions and the other matters contemplated herein. During the Standstill Period, Carebook will not, nor will it permit, any of its directors, officers, employees, representatives or agents, to encourage, solicit or accept any transaction the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the RTO. In addition, Carebook agrees that, during the Standstill Period, no access will be given to any third party to any of Carebook's premises, to any confidential information or any other information relating to Carebook for the purpose of enabling that third party to make a determination as to whether to enter into any transaction. Notwithstanding the foregoing, none of the above will restrict the parties and their respective directors, officers, employees, representatives or agents from taking such actions as may be required in order to discharge their obligations pursuant to applicable corporate and securities laws.

Termination Rights

The Business Combination Agreement may be terminated by mutual consent of Carebook and Pike, or by either Carebook or Pike if:

- (a) any law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Amalgamation illegal or otherwise permanently prohibits or enjoins Carebook or Pike from consummating the Amalgamation, and such law has, if applicable, become final and non-appealable;
- (b) if the Effective Date does not occur on or prior to October 31, 2020, except if the failure of the Effective Date to so occur has been caused by the party relying on this provision;
- (c) if there is a breach of any representation or warranty or failure to perform any covenant or agreement and such breach or failure is incapable of being cured or is not cured on or prior to October 31, 2020, provided that the party relying on this provision is not then in breach of the Business Combination Agreement; or
- (d) if the conditions mentioned above have not been satisfied or waived on or prior to October 31, 2020 or it becomes apparent that any of such conditions will not be satisfied by October 31, 2020 (other than as result of the failure of a party to perform any of their obligations under the Business).

If the Business Combination Agreement is terminated, the parties are released from all of their respective obligations, other than obligations relating to the payment of fees, announcement and confidentiality.

Directors and Officers of the Resulting Issuer

Concurrently with the completion of the Amalgamation, Pike will cause all of the then current directors and officers of Pike and Pike Subco to resign without payment by or any liability to Pike, Pike Subco or Amalco, and to cause each such director and officer to execute and deliver a release in favour of Pike, Pike Subco and Amalco, in a form acceptable to Pike and Carebook. The Resulting Issuer Board will consist of such number of directors as designated by Carebook prior to the Effective Time, and be comprised of persons designated by Carebook prior to the Effective Time, and the management of Pike will be comprised of persons designated by Carebook prior to the Effective Time. Upon completion of the RTO, the Resulting Issuer, Amalco and Carebook Subco will all have the same directors and officers.

The Consolidation

Prior to the completion of the Amalgamation, Pike will take all necessary steps to give effect and to implement a Consolidation of Pike Common Shares based on the following formula (the "**Consolidation Ratio**"):

$$\text{Consolidation Ratio} = A \div [B \div \$2.50]$$

For purposes of the foregoing formula, the following definitions will apply:

“A” means the number of Pike Common Shares issued and outstanding immediately prior to the Consolidation, on a fully diluted basis; and

“B” means \$2,900,000 + Pike’s cash on hand immediately prior to the Consolidation (net of expenses relating to the completion of the Amalgamation and all transactions in connection therewith and as contemplated by the Business Combination Agreement and the Amalgamation Agreement incurred by Pike, but inclusive of any GST receivables in an amount not to exceed \$7,500), up to \$400,000.

For illustrative purposes, as of the date of the execution of the Business Combination Agreement, the Consolidation Ratio is expected to be one-for-13.187, which assumes that immediately prior to the Consolidation, Pike will have 17,407,200 Pike Common Shares issued and outstanding (as is being represented by Pike in the Business Combination Agreement) and will have \$400,000 cash on hand immediately prior to the Consolidation (net of expenses relating to the completion of the Amalgamation and all transactions in connection therewith and as contemplated by this Agreement and the Amalgamation Agreement incurred by Pike, but inclusive of any GST receivables in an amount no to exceed \$7,500). Disclosures in this Listing Application assume that the Consolidation Ratio will be one-for-13.187.

The terms of the Pike Broker Warrants will be adjusted to give effect to such Consolidation.

Termination of Pike Warrants and Pike Options

Pike will use commercially reasonable efforts to arrange, on or prior to the Amalgamation, for:

- (a) either (i) each holder of the Pike Warrants to exercise in full their Pike Warrant in accordance with its terms such that each Pike Warrant so exercised is cancelled, or (ii) to obtain a Pike Warrant Termination Agreement from those holders who do not exercise in full their Pike Warrants;
- (b) either (i) each holder of the Pike Options to exercise in full their Pike Options in accordance with their terms such that each Pike Option so exercised is cancelled, or (ii) to obtain a Pike Option Termination Agreement from those holders who do not exercise in full their Pike Options; and
- (c) the Pike Broker Warrants to be exercised and cancelled.

Any Pike Broker Warrant which has not been exercised and cancelled and which remains outstanding at the Effective Time will be replaced with one Resulting Issuer Replacement Warrant, and each such Pike Broker Warrant will be cancelled. On the Effective Time, registered holders of Pike Broker Warrants that have not been exercised and cancelled will be deemed to be the registered holders of the Resulting Issuer Replacement Warrants and, upon surrender to Pike of the certificates representing the issued and outstanding Pike Broker Warrants, such former holders of Pike Broker Warrants will be entitled, in exchange, to receive certificates representing the Resulting Issuer Replacement Warrants.

The Amalgamation

The Amalgamation is structured as a three-cornered amalgamation under the CBCA whereby Pike Subco and Carebook will amalgamate and continue as one corporation (“**Amalco**”) on terms more particularly set forth in the Amalgamation Agreement and will result in the reverse takeover of Pike by Carebook. Pursuant to the Amalgamation, Pike will acquire a 100% interest in Amalco. As a result of the Amalgamation, the former securityholders of Carebook will become securityholders of the Resulting Issuer.

The Amalgamation Agreement

Carebook and Pike entered into the Letter of Intent and subsequently entered into the Business Combination Agreement, which describes the principal terms and conditions of the proposed agreement, whereby Pike would acquire all of the issued and outstanding shares in the capital of Carebook, by way of the Amalgamation. The Amalgamation Agreement will be entered into in furtherance of the transactions contemplated in the Business Combination Agreement.

Amalgamation Steps

Pursuant to the terms and conditions set forth in the Amalgamation Agreement, at the Effective Time:

- (a) each issued and outstanding Pike Subco Common Share will be cancelled and replaced by one issued and fully paid Amalco Common Share for each Pike Subco Common Share held by Pike;
- (b) holders of issued and outstanding Carebook Common Shares will receive from Pike one fully paid post-Consolidation Pike Common Share for each Carebook Common Share held by such holder;
- (c) holders of issued and outstanding Carebook Preferred Shares will receive from Pike one fully paid post-Consolidation Pike Common Share for every 2.5 Carebook Preferred Shares held by such holder;
- (d) holders of issued and outstanding Carebook Redeemable Shares will receive from Amalco one fully paid and non-assessable post-Consolidation Amalco Redeemable Share for each Carebook Redeemable Share held by such holder;
- (e) in accordance with agreements to be entered into with the holders of Carebook Options, such holders will receive, concurrent with the Amalgamation, (A) a vested option to acquire 1.725 post-Consolidation Pike Common Shares for each Carebook Common Share (for greater certainty, disregarding any adjustment to the Carebook Options resulting from the Share Split) underlying the vested portion of the Carebook Option(s) held by such holder and (B) an unvested option to acquire 1.725 post-Consolidation Pike Common Shares for each Carebook Common Share (for greater certainty, disregarding any adjustment to the Carebook Options resulting from the Share Split) underlying the unvested portion of the Carebook Option(s) held by such holder, in each case with a new exercise price per share that equals the quotient obtained by dividing (i) the exercise price in effect immediately prior to the Amalgamation by (ii) 1.725 (subject to any adjustment as may be needed to ensure that the in-the-money value of the new option(s) issued to any given holder is no greater than the in-the-money value of the Carebook Option(s) of such holder immediately prior to the amalgamation), and the Carebook Options will simultaneously be cancelled;
- (f) holders of Carebook Principal Warrants will receive, concurrent with the Amalgamation, an option to acquire 1.725 post-Consolidation Pike Common Shares for each Carebook Common Share (for greater certainty, disregarding any adjustment to the Carebook Principal Warrants resulting from the Share Split) underlying the Carebook Principal Warrant held by such holder with a new exercise price per share that equals the quotient obtained by dividing (i) the exercise price in effect immediately prior to the Amalgamation by (ii) 1.725 (subject to any adjustment as may be needed to ensure that the in-the-money value of the new option issued to any given holder is no greater than the in-the-money value of the Carebook Principal Warrant of such holder immediately prior to the amalgamation), and the Carebook Principal Warrants will simultaneously be cancelled;
- (g) Carebook Common Shares and Carebook Preferred Shares replaced by issued and fully paid post-Consolidation Pike Common Shares in accordance with the provisions of the above sections (b) and (c) hereof will be cancelled;
- (h) Carebook Redeemable Shares replaced by issued and fully paid Amalco Redeemable Shares in accordance with the provisions of the above section (d) hereof will be cancelled;

- (i) in consideration of the issuance by Pike of the post-Consolidation Resulting Issuer Common Shares pursuant to the above section (b), Amalco will issue to Pike one fully paid and non-assessable Amalco Common Share for each post-Consolidation Resulting Issuer Common Share issued to former holders of Carebook Common Shares and Carebook Preferred Shares;
- (j) each outstanding Carebook Warrant will be replaced with one Pike Replacement Warrant, and each such Carebook Warrant will be cancelled; and
- (k) each outstanding Carebook Broker Warrant will be replaced with one Resulting Issuer Broker Warrant, and each such Carebook Broker Warrant will be cancelled.

Effect of Amalgamation

At the Effective Time:

- (a) the amalgamation of the Amalgamating Parties and their continuation as one company, Amalco, under the terms and conditions prescribed in the Business Combination Agreement will be effective;
- (b) the property, rights and interests of each of the Amalgamating Parties will continue to be the property of Amalco;
- (c) Amalco will continue to be liable for the obligations of each of the Amalgamating Parties;
- (d) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Parties will be unaffected;
- (e) any legal proceeding prosecuted or pending by or against any of the Amalgamating Parties may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco;
- (f) any conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Parties may be enforced by or against Amalco; and
- (g) the by-laws of Amalco will be the same as those of Carebook, *mutatis mutandis*.

The Carebook Reorganization

Prior to the Effective Time, Carebook will conduct the Carebook Reorganization in order to, among other things, implement the Amalgamation, Secondary Portion or other transactions contemplated under the Business Combination Agreement and under the Amalgamation Agreement, including the following steps:

- (a) the creation of the Carebook Redeemable Shares;
- (b) the exchange of certain Carebook Common Shares for Carebook Redeemable Shares;
- (c) the Share Split;
- (d) the execution of surrender and exchange agreements with holders of Carebook Principal Warrants;
- (e) the execution of surrender and exchange agreements with holders of Carebook Options;
- (f) the transfer of Carebook assets to a newly-incorporated wholly-owned subsidiary of Carebook;
- (g) the exchange of shares of certain shareholders of a class of Carebook Common Shares into shares of another class of Carebook Common Shares on a one-to-one basis; and

- (h) the increase or increases of legal stated capital, and corresponding tax elections under subsection 83(2) of the *Income Tax Act* (Canada) and its provincial equivalent, in each case without any distribution of property by Carebook.

The Private Placement

In connection with the RTO, Carebook has secured private placement financings for aggregate gross proceeds of \$21,000,000 comprised of: (i) the issuance of 6,932,000 Carebook Subscription Receipts at a price of \$2.50 per Carebook Subscription Receipt for aggregate gross proceeds of \$17,330,000, which offering was completed on August 7, 2020, (ii) the issuance of 400,000 Carebook Units to certain members of Carebook management or Affiliates thereof at a price of \$2.50 per Carebook Unit for aggregate gross proceeds of \$1,000,000, which subscriptions are expected to be completed prior to the Effective Time, and (iii) the issuance of 1,068,000 Carebook Units to certain arm's length investors at a price of \$2.50 per Carebook Unit for aggregate gross proceeds of \$2,670,000, which subscriptions are expected to be completed prior to the Effective Time.

See "*Item 6 – Financing – Private Placement*".

The Secondary Portion

In connection with the Carebook Reorganization, certain holders of Carebook Common Shares will exchange their Carebook Common Shares for Carebook Redeemable Shares, which will, in accordance with the Amalgamation, be replaced by Amalco Redeemable Shares, which will then be subsequently redeemed by Amalco as a means to enable such Carebook Shareholders to achieve liquidity on a portion of their shareholdings of Carebook. All holders of Carebook Common Shares were provided with an opportunity to participate in the Secondary Portion on a pro rata basis based on their respective shareholdings, as provided for in the Carebook shareholders' agreement.

Pursuant to the Amalgamation Agreement, each Amalco Redeemable Share will be automatically redeemed by Amalco at a redemption price of \$1.00 per Amalco Redeemable Share, payment of which will be satisfied by Amalco using \$5,330,000 of the proceeds from the Private Placement, immediately following the Effective Time. The holders of the Carebook Common Shares that are participating in the Secondary Portion will bear their pro rata portion of the Private Placement Agents' Fee.

No certificates for the Amalco Redeemable Shares will be issued to holders. Upon the redemption of the Amalco Redeemable Shares, Amalco will be a wholly-owned subsidiary of Pike.

See "*Item 6 – Financing – Principal Purposes – Insiders, etc.*".

Procedure for the RTO to Become Effective

Procedural Steps

The RTO will be carried out pursuant to the provisions of the CBCA. The following procedural steps must be taken in order for the RTO to become effective:

- (a) the satisfaction of all conditions precedent to the RTO as set forth in the Business Combination Agreement, including receipt of TSXV approval for the Listing;
- (b) the Amalgamation Agreement must be entered into between Carebook, Pike and Pike Subco; and
- (c) articles of amalgamation in the form prescribed by the CBCA must be filed. The RTO will become effective when a certificate of amalgamation is issued in respect of the Amalgamation.

Approvals Necessary for the RTO

Shareholder Approval

No approval of the RTO by the Pike Shareholders is required, however, Pike is required to convene and hold the Pike Meeting to approve (in each case subject to the completion of the RTO) the Pike Meeting Matters. The Pike Meeting was held on September 14, 2020, and each of the Pike Meeting Matters was approved by the Pike Shareholders.

Certain Pike Shareholders holding 61.8% of the votes attached to the Pike Common Shares had entered into support agreements (the “**Support Agreements**”) pursuant to which such Pike Shareholders agreed to vote their Pike Common Shares in favour of the Pike Meeting Matters and to not take any action of any kind which might reasonably be regarded as likely to reduce the success of, or delay or interfere with, the completion of the transactions contemplated by the Business Combination Agreement or any related transactions contemplated in connection therewith.

Pursuant to the provisions of the CBCA, the Amalgamation requires the approval of the Carebook Shareholders and the approval of Pike, in its capacity as the sole shareholder of Pike Subco. Shareholders of each of Carebook and Pike Subco have approved the Amalgamation.

TSX Approval

On September 25, 2020, the TSXV conditionally approved the Listing of the Resulting Issuer Common Shares, including those to be issued pursuant to the Amalgamation to the former Carebook Shareholders. The Listing is subject to the fulfillment of all of the requirements of the TSXV on or before December 24, 2020.

Legally, the Effective Date of the Amalgamation will be on the date a certificate of amalgamation is issued in respect of the Amalgamation. However, the Listing will be completed on the date the TSXV issues a Final Exchange Bulletin in respect of the Listing, which is expected to be within 3 days after the Effective Date, provided all required documentation is filed with the TSXV.

ITEM 3: SUMMARY

The following is a summary of the principal features of this Listing Application and should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Application.

Carebook

Incorporation

Carebook’s full name is “Carebook Technologies Inc.”. It was incorporated under the CBCA on February 12, 2015. Carebook’s registered office and principal place of business is located at 1400-2045 Stanley Street, Montreal, QC H3A 2V4. Carebook maintains a website at www.carebook.com. Information relating to Carebook included on its website does not form part of this Listing Application.

Business of Carebook

Carebook provides powerful digital health solutions, virtual care, and COVID-19 vital signs screening for pharmacies, insurance providers, governments, businesses, and more.

The Company operates in one single reporting segment. The Company however does identify its end-users and platform capabilities in a series of industry ‘verticals’. These market verticals are: (a) Pharmacy, (b) Virtual Care, and (c) Insurance.

Each of the three verticals have diversified product offerings, dedicated marketing approaches and tailored features.

The primary product offerings by vertical are described as follows:

- (a) Pharmacy: loyalty, medication management and a communication platform for healthcare professionals and patients;
- (b) Virtual Care: triage, healthcare management, COVID-19 screening and vitals scanning (2020 development); and
- (c) Insurance: remote underwriting, virtual care, personalized health insurance.

Capitalization of Carebook

Carebook is currently authorized to issue an unlimited number of Carebook Common Shares and an unlimited number of Carebook Preferred Shares, of which 12,746,733 Carebook Common Shares and 2,250,000 Carebook Preferred Shares are issued and outstanding on a pre-Share Split basis as of the date hereof.

Holders of Carebook Common Shares have the right to receive notice of any meeting of shareholders of Carebook, to attend such meeting and to vote thereat, with the exception of meetings at which only holders of other classes of shares are entitled to vote. Holders of Carebook Common Shares are entitled to receive, *pari passu* with one another, non-cumulative dividends if, as and when declared by the Carebook Board. For so long as there are any Carebook Preferred Shares issued and outstanding, holders of Carebook Common Shares will not be entitled to receive any dividends or other distributions on the Carebook Common Shares unless Carebook first redeems all of the Carebook Preferred Shares. Furthermore, subject to the rights of holders of Carebook Preferred Shares having priority over the Carebook Common Shares, holders of Carebook Common Shares are entitled to receive, on a *pari passu* basis, (i) the remaining property of Carebook upon its liquidation, dissolution or winding-up, and (ii) the remaining proceeds in the event of a change of control.

Holders of Carebook Preferred Shares have no right to receive notice of any meeting of shareholders of Carebook, to attend such meeting or to vote thereat. Holders of Carebook Preferred Shares are not entitled to receive any dividends. Furthermore, holders of Carebook Preferred Shares have a priority over any other classes of shares, equal to the total redemption price of issued and outstanding Carebook Preferred Shares, in the distribution of (i) the property or assets of Carebook, and (ii) the available proceeds in the event of a change of control. Carebook has a unilateral redemption right over the Carebook Preferred Shares at a pre-determined price of \$1.00 per Carebook Preferred Share.

Further to the Carebook Reorganization, Carebook will also be authorized to issue an unlimited number of Carebook Redeemable Shares. Holders of Carebook Redeemable Shares will not be entitled to vote or receive notice of any meeting of shareholders of Carebook. Holders of Carebook Redeemable Shares will be entitled to receive dividends if, as and when declared by the Carebook Board and will have priority in the distribution of the property or assets of Carebook over any class of Carebook Common Shares, equal to the total redemption price of issued and outstanding Carebook Redeemable Shares. Carebook will have a unilateral redemption right over the Carebook Redeemable Shares at a pre-determined price of \$1.00 per Carebook Redeemable Share.

None of the securities of Carebook are currently listed or quoted for trading on any stock exchange. None of the Carebook Redeemable Shares to be issued in connection with the Carebook Reorganization will be listed or quoted for trading on any stock exchange.

On September 25, 2020, the TSXV has conditionally approved the Listing of the Resulting Issuer Common Shares, including those issuable pursuant to the RTO in exchange for Carebook Common Shares and Carebook Preferred Shares, and the Carebook Common Shares underlying the Warrants, Carebook Broker Warrants, Carebook Principal Warrants and Carebook Options. Listing is subject to the fulfillment of all of the TSXV requirements on or before December 24, 2020.

See “Item 10 – Description of Securities to be Listed – Carebook”.

Pike

Pike was incorporated on July 11, 2018 under the BCBCA as “Pike Mountain Minerals Inc.”. Pike intends to change its name to “Carebook Technologies Inc.” (or such other name as determined by Carebook) prior to or concurrently with the completion of the Amalgamation. The registered office and principal place of business of Pike is located at 503-905 Pender Street W., Vancouver, British Columbia, Canada, V6C 1L6.

Pike is a junior exploration-stage company engaged in the evaluation, acquisition, and exploration of mineral properties with the intention, if warranted, of placing them into production. On September 16, 2019, Pike completed its initial public offering and the Pike Common Shares began trading on the CSE under the trading symbol “PIKE” shortly thereafter. In connection with the execution of the Business Combination Agreement, the Pike Common Shares were delisted from the CSE. As of the date of this Listing Application, the Pike Common Shares are not listed or quoted for trading on any stock exchange.

Pike is currently authorized to issue an unlimited number of Pike Common Shares, of which 17,069,090 Pike Common Shares are issued and outstanding as at the date hereof.

See “Item 4 – Name, address and incorporation of Pike” and See “Item 10 – Description of Securities to be Listed – Pike”.

Pike Subco

Pike Subco was incorporated on July 30, 2020 under the CBCA. Pike Subco was incorporated for the sole purpose of effecting the Amalgamation as described in this Listing Application. Since the date of its incorporation, Pike Subco has never carried out any activities, other than activities ancillary to, and in preparation for, the Amalgamation.

Pike Subco is currently authorized to issue an unlimited number of Pike Subco Common Shares, of which 40 Pike Subco Common Shares are issued and outstanding as at the date hereof. As of the date of this Listing Application, the Pike Subco Common Shares are not listed or quoted for trading on any stock exchange.

Resulting Issuer

Following the RTO, the Resulting Issuer will be the sole shareholder of Amalco, which will itself be the sole shareholder of Carebook Subco. Following the RTO, Carebook Subco will continue the business of Carebook. It is anticipated that following the completion of the RTO, Amalco and Carebook Subco will in the future be continued under the BCBCA and that the Resulting Issuer will amalgamate with Amalco and Carebook Subco. Following such amalgamation, the Resulting Issuer will continue the business of Carebook.

Principal Securityholders

The principal securityholder of Carebook is MedTech (which, together with its Affiliates, owns, controls or directs approximately 79.8% of the Carebook Common Shares on a non-diluted basis).

The principal securityholder of the Resulting Issuer is expected to be MedTech (which, together with its Affiliates, is expected to own, control or direct approximately 54.7% of the Resulting Issuer Common Shares on a non-diluted basis).

Dr. Sheldon Elman and Mr. Stuart M. Elman, each of whom are currently directors of Carebook and who will be directors of the Resulting Issuer upon completion of the RTO, have ownership of or control or direction over the Carebook Common Shares held by and, following the RTO, the Resulting Issuer Common Shares to be held by, MedTech and its Affiliates.

See “Item 15 – Principal Securityholders”.

Description of Securities to be Listed

Carebook is hereby applying to list the Resulting Issuer Common Shares on the TSXV under the symbol "CRBK". The Listing will be subject to the Resulting Issuer fulfilling all of the minimum listing requirements of the TSXV and obtaining conditional approval of the TSXV. There can be no assurance that the TSXV will list the Resulting Issuer Common Shares. If listing approval is ultimately obtained prior to the Effective Time, trading on the TSXV of the Resulting Issuer Common Shares is expected to commence shortly following the Effective Date.

It is expected that following the RTO, the Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Common Shares and an unlimited number of Resulting Issuer Preferred Shares. Assuming the completion of the RTO, approximately 30,510,628 Resulting Issuer Common Shares and no Resulting Issuer Preferred Shares will be outstanding following the Effective Time. In addition to the Resulting Issuer Common Shares, the following securities of the Resulting Issuer are expected to be outstanding immediately following the completion of the Amalgamation:

- (1) 2,789,976 Resulting Issuer Options;
- (2) 2,974,740 Resulting Issuer Principal Warrants;
- (3) 4,200,000 Resulting Issuer Warrants;
- (4) 480,000 Resulting Issuer Broker Warrants; and
- (5) 25,639 Resulting Issuer Replacement Warrants.

Holders of Resulting Issuer Common Shares will be entitled to dividends as and when declared by the Resulting Issuer Board, to one vote per share at meetings of the Resulting Issuer's security holders and, upon liquidation, to receive such of the Resulting Issuer's assets as are distributable to the holders of Resulting Issuer Common Shares. There will be no pre-emptive rights or conversion rights attached to the Resulting Issuer Common Shares. There will also be no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the Resulting Issuer Common Shares.

Holders of Resulting Issuer Preferred Shares will not be entitled to receive notice of any meeting of shareholders of the Resulting Issuer, to attend such meeting or to vote thereat. No special rights or restrictions attached to any series of the Resulting Issuer Preferred Shares will confer upon the shares of such series a priority over the shares of any other series of the Resulting Issuer Preferred Shares in respect of dividends or a return of capital in the event of the dissolution of the Resulting Issuer or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Resulting Issuer Preferred Shares to a return of capital. The Resulting Issuer Preferred Shares of each series will, with respect to the payment of dividends and the distribution of assets or return of capital in the event of dissolution or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Resulting Issuer Preferred Shares to a return of capital, rank on a parity with the shares of every other series.

See "Item 10 – Description of Securities to be Listed – Resulting Issuer" and "Item 11 – Consolidated Capitalization".

Private Placement

On August 7, 2020, Carebook (i) completed the Private Placement financing, on both a brokered and non-brokered basis, of 6,932,000 Carebook Subscription Receipts at a price of \$2.50 per Carebook Subscription Receipt, for aggregate gross proceeds of \$17,330,000 and (ii) entered into subscription agreements with certain members of Carebook management or Affiliates thereof providing for the issuance of 400,000 Carebook Units at a price of \$2.50 per Carebook Unit for aggregate gross proceeds of \$1,000,000, which subscriptions are expected to be completed prior to the Effective Time.

On or about October 1, 2020, Carebook expects to enter into subscription agreements with certain third party arm's length investors providing for the issuance of 1,068,000 Carebook Units at a price of \$2.50 per Carebook Unit for aggregate gross proceeds of \$2,670,000, which subscriptions are expected to be completed prior to the Effective Time.

As part of the Amalgamation, the Carebook Common Shares underlying the Carebook Subscription Receipts and the Carebook Units will be exchanged on a one-for-one basis for Resulting Issuer Common Shares.

It is expected that approximately \$5,330,000 out of the net proceeds of the Private Placement will be used to redeem the Amalco Redeemable Shares in connection with the Secondary Portion.

See “Item 6 – Private Placement”.

Use of Proceeds and Principal Purposes

The aggregate net proceeds of the Private Placement to Carebook are expected to be approximately \$20,009,800, representing the gross proceeds of the Private Placement less \$880,200 for the portion of the Private Placement Agents’ Fee to be incurred by Carebook and \$110,000 in Private Placement Agents’ costs and expenses being reimbursed by Carebook in accordance with the Private Placement Agency Agreement and advisory agreement with the Agents.

Subject to the release thereof, the aggregate net proceeds of the Private Placement are expected to be used (i) for the redemption of the Amalco Redeemable Shares in connection with the Secondary Portion (ii) to finance sales and marketing efforts and for general corporate purposes and working capital, (iii) to repay certain indebtedness, and (iv) to pay certain fees and expenses incurred in connection with the Listing.

The holders of the Carebook Common Shares that are participating in the Secondary Portion will bear their pro rata portion of the Private Placement Agents’ Fee.

See “Item 6 – Principal Purposes – Generally”.

Risk Factors

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Carebook and/or the Resulting Issuer, as applicable. Such risks could cause operating and financial performance to differ materially from the estimates described in forward-looking statements related to the Resulting Issuer. These include widespread risks associated with any form of business and specific risks associated with the business of Carebook (and therefore the business of the Resulting Issuer). The acquisition of any securities of Carebook and/or the Resulting Issuer is speculative, involves a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment.

See “Item 2B – Cautionary Statement Regarding Forward Looking Information” and “Item 21 – Risk Factors”.

Selected Consolidated Financial Information

The financial information should be read in conjunction with the financial statements listed in “Item 32 – Financial Statement Disclosure for Issuers” and in the Schedules attached hereto.

	Pro Forma Resulting Issuer as at June 30, 2020
Current assets	\$7,983,079
Non-current assets	\$5,250,860
Current liabilities	\$3,031,971
Non-current liabilities	\$704,993
Shareholders’ Equity	\$9,496,975

See “Item 32 – Financial Statement Disclosure for Issuers”.

Escrowed Securities and Securities Subject to Restrictions on Transfer

Pursuant to the policies of the Exchange and in addition to the Pike Common Shares held in escrow pursuant to the Pike Escrow Agreement, approximately 20,707,244 securities of the Resulting Issuer anticipated to be held by principals of the Resulting Issuer are expected to be held in escrow after giving effect to the RTO.

See “Item 14 – Escrowed Securities and Securities Subject to Restrictions on Transfer”.

ITEM 4: CORPORATE STRUCTURE

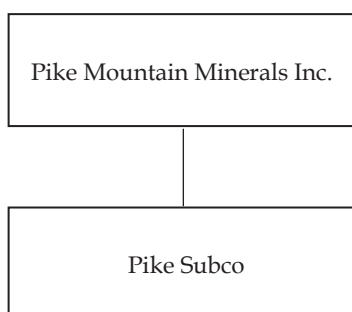
Name, address and incorporation of Pike

Pike was incorporated under the BCBCA on July 11, 2018 under the name “Pike Mountain Minerals Inc.”. Pike’s registered office and principal place of business is located at 503-905 Pender Street W., Vancouver, British Columbia, Canada, V6C 1L6.

Intercorporate relationships of Pike

Pike has one wholly-owned subsidiary named Pike Subco. Pike Subco was incorporated on July 30, 2020 under the CBCA for the sole purpose of effecting the Amalgamation as described in this Listing Application.

A corporate organizational chart reflecting the current corporate structure of Pike at the date hereof is set forth below.

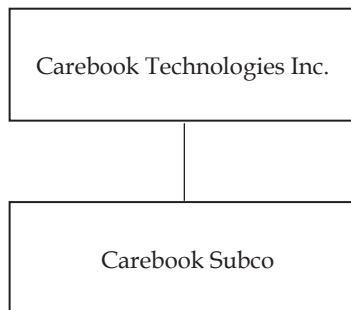


Name, address and incorporation of Carebook

Carebook’s full corporation name is “Carebook Technologies Inc.”. It was incorporated under the CBCA on February 12, 2015. Carebook’s registered office and principal place of business is located at 1400-2045 Stanley Street, Montreal, QC H3A 2V4. Carebook maintains a website at www.carebook.com. Information relating to Carebook included on its website does not form part of this Listing Application.

Intercorporate relationships of Carebook

In connection with the implementation of the Carebook Reorganization, Carebook has incorporated a wholly-owned subsidiary under the CBCA (“**Carebook Subco**”) for the purpose of effecting the Carebook Reorganization as described in the Business Combination Agreement and the Amalgamation Agreement. In connection with the Reorganization, certain assets of Carebook will be transferred to Carebook Subco. A corporate organizational chart reflecting the expected corporate structure of Carebook following the Reorganization and immediately before the Amalgamation is set forth below.



See “Item 2C – Description of the RTO – The Business Combination Agreement and the RTO – The Reorganization”.

Name, address and incorporation of the Resulting Issuer

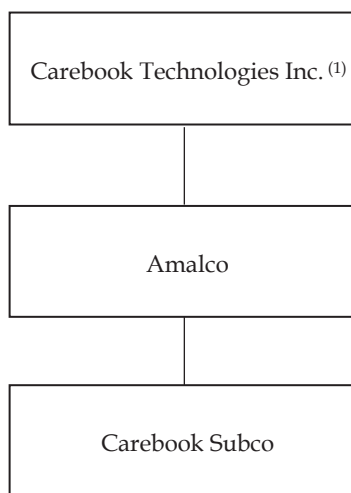
The Resulting Issuer was incorporated under the BCBCA on July 11, 2018 under the name “Pike Mountain Minerals Inc.”.

It is expected that, following the RTO, the Resulting Issuer’s full corporate name will be “Carebook Technologies Inc.” and its registered office and principal place of business will be located at 1400-2045 Stanley Street, Montreal, QC H3A 2V4.

Intercorporate relationships of the Resulting Issuer

The Resulting Issuer will have two direct and indirect wholly-owned subsidiaries, being (i) Amalco, the corporation resulting from the amalgamation of Carebook and Pike Subco, and (ii) Carebook Subco. Pike Subco was incorporated on July 30, 2020 under the CBCA for the sole purpose of effecting the Amalgamation as described in this Listing Application. Following the RTO, the Resulting Issuer will be the sole shareholder of Amalco, which will itself be the sole shareholder of Carebook Subco. Following the RTO, Carebook Subco will continue the business of Carebook. It is anticipated that following the completion of the RTO, Amalco and Carebook Subco will in the future be continued under the BCBCA and that the Resulting Issuer will amalgamate with Amalco and Carebook Subco. Following such amalgamation, the Resulting Issuer will continue the business of Carebook.

A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below.



(1) Or such other name as determined by Carebook.

It is anticipated that following the completion of the RTO, Amalco and Carebook Subco will in the future be continued under the BCBCA and that the Resulting Issuer will amalgamate with Amalco and Carebook Subco.

ITEM 5: DESCRIPTION OF THE BUSINESS

General

Description of Carebook's Business

Carebook provides powerful digital health solutions, virtual care, and COVID-19 vital signs screening for pharmacies, insurance providers, governments, businesses, and more.

The Company operates in one single reporting segment. The Company however does identify its end-users and platform capabilities in a series of industry 'verticals'. These market verticals are: (a) Pharmacy, (b) Virtual Care, and (c) Insurance.

Each of the three verticals have diversified product offerings, dedicated marketing approaches and tailored features. The primary product offerings by vertical are described as follows:

- (a) Pharmacy: loyalty, medication management and a communication platform for healthcare professionals and patients;
- (b) Virtual Care: triage, healthcare management, COVID-19 screening and vitals scanning (2020 development); and
- (c) Insurance: remote underwriting, virtual care, personalized health insurance.

History

Carebook was incorporated under the Canada Business Corporations Act on February 12, 2015.

Pharmacy Vertical

To develop its Pharmacy vertical, in 2018, Carebook was selected by a global leader in health supply chain and pharmacy, McKesson Canada, as its partner for a digital pharmacy and loyalty solution. Through this agreement, Rexall (Canada's 2nd largest pharmacy chain) became an anchor client. McKesson is Carebook's Canadian exclusive distributor of the platform in connection with the pharmacy vertical. For further information see "Item 27 – Material Contracts".

Through this relationship, Carebook developed a leading pharmacy management, loyalty and engagement product.

Carebook offers a turn-key, modular, pharmacy engagement platform that can be white-labeled to increase revenue, and be used to improve health outcomes. The application integrates front-of-store, loyalty, and pharmacy solutions – including medication adherence – into one tool. With data aggregation capacity, pharmacies can get the information needed to identify areas of opportunity to engage and re-engage customers and patients.

Virtual Care Vertical

With the emergence of the COVID-19 pandemic in March 2020, Carebook sought to repurpose some of its core technology platform to develop and commercialize a COVID-19 screening solution. Leveraging licensed leading AI

technology, Carebook developed “Carebook My Vitals | COVID-19” (“**My Vitals**”), a screening and triage tool that allows individuals and clinicians to get real-time vital signs measurements with their smartphone camera.

Specific vital signs are impacted when there is an infection in the lungs, which can be caused by the COVID-19 virus. During lung infection, also known as pneumonia, inflammation reduces the ability of lungs to take up oxygen. This is reflected in abnormal oxygen saturation, heart rate, and respiratory rate.

For people who are experiencing COVID-19 symptoms, but who have not yet been diagnosed, vital sign measurements can help determine the best course of action, as recommended by top health professionals and organizations.

For those who have been diagnosed, monitoring vital signs from home helps health professionals decide when patients can continue to stay at home or when they need go back to the hospital.

- Blood oxygen saturation levels drop.
- Heart rate increases due to lower oxygen levels.
- Respiratory rate increases as the body tries to get more oxygen.

Monitoring these three vital signs at home during the COVID-19 pandemic can help health professionals triage patients and make clinical decisions about patient care.

The application was designed and tested in collaboration with the Jewish General Hospital in Montreal, Canada, and is based on up-to-date COVID-19 guidelines from WHO, Government of Canada, and Government of Quebec.

Carebook is currently seeking approval from Health Canada for the My Vitals tool.

Insurance Vertical

In the insurance vertical, in Canada, Carebook is in advanced discussions and anticipates that an agreement will be entered into with a leading Canadian insurance provider. Similar to the pharmacy vertical, Carebook was selected by this insurance provider as its potential partner for a digital solution leveraging remote underwriting, long distance virtual care, and personalized health insurance offerings.

Carebook does not currently have a definitive agreement signed in connection with the commercialization of its insurance vertical.

Growth Strategy

Carebook’s growth strategy is adapted to each of the vertical markets it participates in.

For the pharmacy vertical, Carebook is targeting growth through global (geographic & client) expansion. According to the OECD¹, there are over 200,000 pharmacies across OECD countries with over 4,000 consumers each. Carebook intends to leverage its software-as-a-service model to bring the platform’s capabilities to pharmacy chains in these markets. Accordingly, global expansion of the pharmacy vertical in a given geography may occur through either an exclusive or a non-exclusive commercialization strategy.

For the virtual care vertical, Carebook is targeting growth through contracts with governments, employers, the aviation/transportation industries, as well as the hospitality industry. As the COVID-19 pandemic continues to materially affect these industries and entities, companies are looking at ways to leverage Carebook’s My Vitals’ solutions for remote vital signs monitoring.

¹ Source: OECD Health at a Glance 2017

For the newly-created insurance vertical, Carebook is targeting growth through contracts with travel, life and group insurers in other geographic markets in addition to the client mentioned above.

Operations & Customer Support

Personnel and technology are critical to the ultimate success of the Company. The majority of the Company's staff, including the finance, business development, client and consumer health and operations work out of leased office space in Montreal. The technology platform is maintained and upgraded by Carebook's product and technology team at the same office space. This team consists primarily of software developers having specialized technical skills and the knowledge required to develop and maintain the digital health platform. The marketing, privacy, security, and compliance teams are split between British Columbia and Montreal.

Employees

As at the end of Carebook's most recently completed financial year, December 31, 2019, Carebook had 41 employees. As of June 30, 2020, Carebook had 42 employees.

ITEM 6: FINANCING

Private Placement

During the 12-month period prior to the date hereof, Carebook has had four (4) subscriptions of its Carebook Common Shares as reflected below. See *"Item 13 - Prior Sales"*.

On August 7, 2020, Carebook (i) completed the Private Placement financing, on both a brokered and non-brokered basis, of 6,932,000 Carebook Subscription Receipts at a price of \$2.50 per Carebook Subscription Receipt, for aggregate gross proceeds of \$17,330,000 and (ii) entered into subscription agreements with certain members of its management or Affiliates thereof providing for the issuance of 400,000 Carebook Units at a price of \$2.50 per Carebook Unit for aggregate gross proceeds of \$1,000,000, which subscriptions are expected to be completed prior to the Effective Time.

On or about October 1, 2020, Carebook expects to enter into subscription agreements with certain third party arm's length investors providing for the issuance of 1,068,000 Carebook Units at a price of \$2.50 per Carebook Unit for aggregate gross proceeds of \$2,670,000, which subscriptions are expected to be completed prior to the Effective Time.

As part of the Amalgamation, the Carebook Common Shares and Carebook Warrants underlying the Carebook Subscription Receipts and the Carebook Units will be exchanged on a one-for-one basis for Resulting Issuer Common Shares and Resulting Issuer Warrants.

It is expected that approximately \$5,330,000 out of the net proceeds of the Private Placement will be used to redeem the Amalco Redeemable Shares in connection with the Secondary Portion. See *"Item 6 - Financing - Principal Purposes - Insiders, etc."*.

The balance of the net proceeds raised from the Private Placement is expected be used by the Resulting Issuer (i) to finance global sales and marketing efforts and for general corporate purposes and working capital, and (ii) to repay certain indebtedness.

The brokered portion of the Private Placement was completed pursuant to the Private Placement Agency Agreement dated August 7, 2020 among Carebook, Pike and the Private Placement Agents, which contained representations, warranties, covenants and termination provisions that are customary for an offering of this kind. Carebook also entered into a customary advisory agreement with the Private Placement Agents with respect to the non-brokered portion of the Private Placement. The Private Placement Agents received Carebook Broker Warrants exercisable at any time prior to the date that is 24 months from the date the Escrow Release Conditions are satisfied to acquire an aggregate of 480,000 Carebook Units at an exercise price equal to \$2.50 per Carebook Unit. As part of the Amalgamation, the Carebook Broker Warrants will be exchanged on a one-for-one basis for Resulting Issuer Broker

Warrants. Each Resulting Issuer Broker Warrant is exercisable at any time prior to the date that is 24 months from the date the Escrow Release Conditions are satisfied to acquire one Resulting Issuer Unit, which itself is comprised of one Resulting Issuer Common Share and one half of one Resulting Issuer Warrant.

Pursuant to the terms and conditions of the Subscription Receipt Agreement, each Carebook Subscription Receipt will be automatically converted into one Carebook Common Share and one half of a Carebook Warrant. The gross proceeds of the Private Placement, less 50% of the Private Placement Agents' Fee and all of the reasonable estimated expenses payable to the Private Placement Agents at the closing time of the Private Placement (the "**Escrowed Proceeds**"), were delivered to and are being held by the Subscription Receipt Agent in an interest-bearing account (the Escrowed Proceeds, together with all interest and income earned thereon, are referred to herein as the "**Escrowed Funds**") pending the satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions in accordance with the provisions of the Subscription Receipt Agreement. The balance of the Private Placement Agents' Fee, and any additional reasonable expenses of the Private Placement Agents payable incurred subsequent to the closing date of the Private Placement, will be released from escrow to the Private Placement Agents, on behalf of the Private Placement Agents, and the balance of the Escrowed Funds will be released from escrow to Carebook (or as it may otherwise direct) upon satisfaction of the following conditions (the "**Escrow Release Conditions**"):

- (a) Carebook and Pike will have entered into the Business Combination Agreement on terms acceptable to the Lead Agent, acting reasonably;
- (b) written confirmation from each of Carebook and Pike that all conditions precedent to the completion of the RTO in accordance with the terms of the Business Combination Agreement, without any material amendment, have been satisfied or waived, other than the release of the Escrowed Funds, and except for those conditions that have been waived by the Lead Agent in its sole discretion;
- (c) Carebook will have received a certificate of amendment from the director appointed under the CBCA giving effect to the Share Split (prior to the conversion of the Carebook Subscription Receipts);
- (d) the offer period (being 7 days from the date of the offering notice advising Carebook Shareholders of their pre-emptive rights to acquire additional securities is given in accordance with the Carebook shareholders agreement) with respect to the Private Placement will have lapsed, any subscription receipts subscribed for by Carebook Shareholders in accordance with their pre-emptive rights during such offer period will have been issued and each of the existing Carebook Shareholders will have waived or been deemed by Carebook to have waived the application of certain provisions in the Carebook shareholders' agreement;
- (e) the Resulting Issuer Common Shares being conditionally approved for listing on the Exchange and Carebook and the Lead Agent being satisfied that all conditions have either been fulfilled or waived or are capable of being fulfilled or waived, each acting reasonably;
- (f) the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the RTO and Listing;
- (g) Carebook and Pike will not be in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or the Private Placement Agency Agreement, except, in the case of the Private Placement Agency Agreement only, for those breaches or defaults that are not material or that have been waived by the Lead Agent and all conditions set out in the Private Placement Agency Agreement will have been fulfilled, which will all be confirmed to be true in a certificate of a senior officer of each of Carebook and Pike; and
- (h) the delivery of the release certificate confirming that the release conditions have been satisfied or waived in accordance with the terms of the Subscription Receipt Agreement.

If the Escrow Release Conditions are not satisfied at or before 11:59 p.m. (Toronto time) on December 5, 2020 or, if prior to such time, the Business Combination Agreement is terminated or Carebook has advised TSX Trust, acting in

its capacity as escrow agent under the Subscription Receipt Agreement, and the Private Placement Agents, or announces to the public that the RTO will not be completed (in any case, a termination event, and the date upon which such event occurs, the “**Termination Date**”), within three (3) business days following the Termination Date, the Escrowed Funds will be used by Carebook to repurchase the Carebook Subscription Receipts at a redemption price per Carebook Subscription Receipt equal to the offering price plus a pro rata amount of any interest and other income accrued in respect of the Escrowed Proceeds to the date of redemption. To the extent that the Escrowed Funds are not sufficient to purchase all of the Carebook Subscription Receipts on the foregoing terms, Carebook will be liable for and will contribute such amounts as are necessary to satisfy any shortfall.

Carebook retained the services of the Private Placement Agents for the Private Placement, for which the Private Placement Agents were paid 50% of the Private Placement Agents’ Fee (with the remaining 50% payable on the Escrow Release Date) and were issued the Carebook Broker Warrants, as set out in the Private Placement Agency Agreement and the advisory agreement with the Private Placement Agents. The offering price for the Carebook Subscription Receipts was based on arm’s length negotiations between Carebook and the Private Placement Agents, as well as an assessment of general market conditions, including economic, political or regulatory conditions, inflation, changes in interest or currency rates and investor sentiment.

On September 25, 2020, the TSXV conditionally approved the Listing of the Resulting Issuer Common Shares, including those issuable pursuant to the RTO in exchange for Carebook Common Shares, Carebook Preferred Shares, Carebook Subscription Receipts and Carebook Units. Listing is subject to the fulfillment of all of the TSXV requirements on or before December 24, 2020.

Junior Issuers

The total funds available to Carebook as of June 30, 2020 was approximately \$0.1 million in cash. The estimated consolidated working capital as of June 30, 2020 was (\$5.4) million.

Assuming that the Escrowed Funds are released to Carebook and that the RTO is completed, the total funds available to the Resulting Issuer as of the Effective Date after giving effect to the RTO would be \$5.0 million.

Principal Purposes – Generally

The aggregate net proceeds of the Private Placement to Carebook are expected to be approximately \$20,009,800, representing the gross proceeds of the Private Placement less \$880,200 for the Private Placement Agents’ Fee to be incurred by Carebook and \$110,000 in Private Placement Agents’ costs and expenses being reimbursed by Carebook in accordance with the Private Placement Agency Agreement and advisory agreement with the Agents. The holders of the Carebook Common Shares that are participating in the Secondary Portion will bear their pro rata portion of the Private Placement Agents’ Fee.

Subject to the release thereof, the aggregate net proceeds of the Private Placement are expected to be used (i) for the redemption of the Amalco Redeemable Shares in connection with the Secondary Portion (ii) to finance sales and marketing efforts and for general corporate purposes and working capital, (iii) to repay certain indebtedness, and (iv) to pay certain fees and expenses incurred in connection with the Listing.

The following table summarizes the expenditures anticipated by Carebook required to achieve its business objectives during the 18 months following the date hereof:

Principal Purpose	Estimated Amount
Secondary Portion	\$5,330,000
Fees and expenses payable in connection with the Listing ⁽¹⁾	\$2,000,000
Repayment of indebtedness	\$7,674,997

Principal Purpose	Estimated Amount
Sales and marketing efforts	\$1,825,000
Working capital	\$576,039
General & administrative expenses	\$2,200,000
Unallocated funds	\$403,764
Total:	\$20,009,800

Notes:

- (1) Includes accounting, TSXV and legal fees.

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer. See “Item 21 – Risk Factors – Risks Related to the Resulting Issuer’s Securities – The Resulting Issuer will have discretion in the use of net proceeds”.

Principal Purposes – Indebtedness

An aggregate amount of \$7,674,997 of the net proceeds of the Private Placement will be used to repay indebtedness owed by Carebook as follows: (i) to National Bank of Canada in the amount of \$2,500,000, (ii) to McKesson in the amount of \$3,000,000 in repayment of a convertible note, (iii) to PME MTL in the amount of \$200,000, and (iv) to an Affiliate of MedTech, in the amount of \$1,974,997.

The foregoing indebtedness was incurred within the prior two years and was used for general corporate purposes and to fund Carebook’s ongoing operations.

Principal Purposes – Insiders, etc.

A portion of the net proceeds of the Private Placement in the aggregate amount of \$5,330,000 will be used to complete the Secondary Portion which is described more fully in the section immediately below.

The Secondary Portion

In connection with the Carebook Reorganization and the Secondary Portion, certain holders of Carebook Common Shares will exchange their Common Shares for Carebook Redeemable Shares, which will, in accordance with the Amalgamation, be replaced by 5,330,000 Amalco Redeemable Shares, which will then be subsequently redeemed by Amalco at a redemption price of \$1.00 per Amalco Redeemable Share, payment of which will be satisfied by Amalco using \$5,330,000 of the net proceeds from the Private Placement as a means to enable such Carebook Shareholders to achieve liquidity on a portion of their shareholding of Carebook. All holders of Carebook Common Shares were provided with an opportunity to participate in the Secondary Portion on a pro rata basis based on the shareholdings, as provided for in the Carebook shareholders’ agreement.

In the aggregate, MedTech, together with its Affiliates, will comprise 82.0% of the redeemed Amalco Redeemable Shares, which are entities Affiliated with two directors of Carebook, Dr. Sheldon Elman and Stuart M. Elman, each of whom are also expected to be directors of the Resulting Issuer upon completion of the RTO.

The holders of the Carebook Common Shares that are participating in the Secondary Portion will bear their pro rata portion of the Private Placement Agents’ Fee.

No certificates for the Amalco Redeemable Shares will be issued to holders. Upon the redemption of the Amalco Redeemable Shares, Amalco will be a wholly-owned subsidiary of Pike.

Business Objectives and Milestones

See “Item 5 – Description of the Business” for a description of the business objectives Carebook (and therefore the Resulting Issuer) intends to accomplish using the net proceeds of the Private Placement.

ITEM 7: DIVIDENDS AND OTHER DISTRIBUTIONS

Carebook has not declared or paid any cash dividends to its shareholders during the three most recently completed financial years or during its current financial year. Carebook’s current policy is to retain earnings to finance the growth and development of its business, and it is expected that such policy will continue to be applied by the Resulting Issuer. This policy may be reviewed in the future. Carebook and Pike are not aware of any restrictions that could prevent the Resulting Issuer from paying dividends.

See “Item 21 – Risk Factors – Risks Related to the Resulting Issuer’s Securities – Dividends”.

ITEM 8: MANAGEMENT’S DISCUSSION AND ANALYSIS

Included as Appendix B to this Listing Application is the Carebook Technologies Inc. Management’s Discussion and Analysis for the fiscal year ended December 31, 2019. It includes financial information from, and should be read in conjunction with, the Audited Consolidated Financial Statements for the years ended December 31, 2019 and December 31, 2018 of Carebook and the notes thereto, which are attached as Appendix C to this Listing Application, as well as the disclosure contained throughout this Listing Application.

Included as Appendix D to this Listing Application is the Carebook Technologies Inc. Management’s Discussion and Analysis for the interim period ended June 30, 2020. It includes financial information from, and should be read in conjunction with, the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2020 and 2019 of Carebook and the notes thereto, which are attached as Appendix E to this Listing Application, as well as the disclosure contained throughout this Listing Application.

ITEM 9: DISCLOSURE OF OUTSTANDING SECURITY DATA ON FULLY DILUTED BASIS

Carebook is seeking to list the Resulting Issuer Common Shares on the TSXV. The following table sets forth the expected fully-diluted share capital of the Resulting Issuer on a pro forma basis as at June 30, 2020 based on the share capital of Carebook, and Pike as at the same date:

Designation of Security	Amount Outstanding Prior to the Completion of the RTO	Amount Outstanding after the Completion of the RTO	Percentage of Total Number of Resulting Issuer Common Shares to be Issued and Outstanding following Completion of the RTO on a Fully Diluted Basis
Resulting Issuer Common Shares based on the outstanding Carebook Common Shares prior to the Completion of the RTO	21,988,268	20,816,267	50.5%
Resulting Issuer Common Shares underlying the Carebook Subscription Receipts and Carebook Units issued in connection	-	8,400,000	20.4%

with the Private Placement

Resulting Issuer Common Shares based on the outstanding Pike Common Shares prior to the Completion of the RTO	1,294,361	1,294,361	3.1%
Total (non-diluted)	23,282,629	30,510,628	74.0%
Resulting Issuer Common Shares reserved for issuance upon exercise of the Carebook Subscription Receipts and Carebook Units as part of the Private Placement	8,400,000	-	0.0%
Resulting Issuer Common Shares reserved for issuance upon exercise of the Carebook Warrants	-	4,440,000	10.8%
Resulting Issuer Common Shares reserved for issuance upon exercise of the Carebook Broker Warrants	-	480,000	1.2%
Resulting Issuer Common Shares reserved for issuance upon exercise of the Carebook Principal Warrants	2,974,740	2,974,740	7.2%
Resulting Issuer Common Shares reserved for issuance upon exercise of the Carebook Options	2,909,078	2,789,976	6.8%
Resulting Issuer Common Shares reserved for issuance upon exercise of the Pike Options	-	-	0.0%
Resulting Issuer Common Shares reserved for issuance upon exercise of the Pike Warrants	-	-	0.0%

Resulting Issuer Common Shares reserved for issuance upon exercise of the Pike Broker Warrants	25,639	25,639	0.1%
Total (fully diluted)	37,592,086	41,220,983	100.0%

See “Item 10 – Description of Securities to be Listed” and “Item 15 – Principal Securityholders” for additional details.

ITEM 10: DESCRIPTION OF SECURITIES TO BE LISTED

Carebook is hereby applying to list the Resulting Issuer Common Shares on the TSXV under the symbol “CRBK”. The Listing will be subject to the Resulting Issuer fulfilling all of the minimum listing requirements of the TSXV and obtaining conditional approval of the TSXV. There can be no assurance that the TSXV will list the Resulting Issuer Common Shares. If listing approval is ultimately obtained prior to the Effective Time, trading on the TSXV of the Resulting Issuer Common Shares is expected to commence shortly following the Effective Date.

Pike

Pike is currently authorized to issue an unlimited number of Pike Common Shares of which 17,407,200 Pike Common Shares are issued and outstanding as of the date hereof. The following securities of Pike are expected to be outstanding immediately following the Consolidation and prior to the completion of the RTO:

- (1) 1,294,361 Pike Common Shares; and
- (2) 25,639 Pike Broker Warrants.

The Pike Common Shares were listed on the CSE under the symbol “PIKE” on September 16, 2019. In connection the Business Combination Agreement, the Pike Common Shares were delisted from the CSE. As of the date of this Listing Application, the Pike Common Shares are not listed or quoted for trading on any stock exchange.

Carebook

Carebook is currently authorized to issue an unlimited number of Carebook Common Shares and an unlimited number of Carebook Preferred Shares, of which 12,746,733 Carebook Common Shares and 2,250,000 Carebook Preferred Shares are issued and outstanding on a pre-Share Split basis. The following securities of Carebook are expected to be outstanding immediately following the Share Split and immediately prior to the completion of the RTO (but reflecting the conversion of the Carebook Preferred Shares):

- (1) 20,756,267 Carebook Common Shares;
- (2) 2,789,976 Carebook Options;
- (3) 5,330,000 Carebook Redeemable Shares;
- (4) 8,400,000 Carebook Subscription Receipts and Carebook Units issued in connection with the Private Placement;
- (5) 4,200,000 Carebook Warrants;
- (6) 480,000 Carebook Broker Warrants; and
- (7) 2,974,740 Carebook Principal Warrants.

None of the Carebook Common Shares or Carebook Preferred Shares are currently listed or quoted for trading on any stock exchange. None of the Carebook Redeemable Shares to be issued in connection with the Carebook Reorganization will be listed or quoted for trading on any stock exchange.

On September 25, 2020, the TSXV has conditionally approved the Listing of the Resulting Issuer Common Shares,

including those issuable pursuant to the RTO in exchange for Carebook Common Shares. Listing is subject to the fulfillment of all of the TSXV requirements on or before December 24, 2020.

Carebook Common Shares

Holders of Carebook Common Shares have the right to receive notice of any meeting of shareholders of Carebook, to attend such meeting and to vote thereat, with the exception of meetings at which only holders of other classes of shares are entitled to vote. The voting rights of the Carebook Common Shares are as follows:

- (a) each class A common share entitles its holder to 1 vote per share;
- (b) each class B common share entitles its holder to 1.000000001 votes per share;
- (c) each class C common share entitles its holder to 1.0000000001 votes per share;
- (d) each class D-1 common share entitles its holder to 1.00000000001 votes per share; and
- (e) each class D-2 common share entitles its holder to 1.000000000001 votes per share.

Holders of Carebook Common Shares are entitled to receive, *pari passu* with one another, non-cumulative dividends if, as and when declared by the Carebook Board. For so long as there are any Carebook Preferred Shares issued and outstanding, holders of Carebook Common Shares will not be entitled to receive any dividends or other distributions on the Carebook Common Shares unless Carebook first redeems all of the Carebook Preferred Shares. Furthermore, subject to the rights of holders of Carebook Preferred Shares having priority over the Carebook Common Shares, holders of Carebook Common Shares are entitled to receive, on a *pari passu* basis, (i) the remaining property of Carebook upon its liquidation, dissolution or winding-up, and (ii) the remaining proceeds in the event of a change of control.

Carebook Preferred Shares

Holders of Carebook Preferred Shares have no right to receive notice of any meeting of shareholders of Carebook, to attend such meeting or to vote thereat. Holders of Carebook Preferred Shares are not entitled to receive any dividends. Furthermore, holders of Carebook Preferred Shares have a priority over any other classes of shares, equal to the total redemption price of issued and outstanding Carebook Preferred Shares, in the distribution of (i) the property or assets of Carebook, and (ii) the available proceeds in the event of a change of control. Carebook has a unilateral redemption right over the Carebook Preferred Shares at a pre-determined price of \$1.00 per Carebook Preferred Share.

Carebook Redeemable Shares

Further to the Carebook Reorganization, Carebook will also be authorized to issue an unlimited number of Carebook Redeemable Shares. Holders of Carebook Redeemable Shares will not be entitled to vote or receive notice of any meeting of shareholders of Carebook. Holders of Carebook Redeemable Shares will be entitled to receive dividends if, as and when declared by the Carebook Board and will have priority in the distribution of the property or assets of Carebook over any classes of Carebook Common Shares, equal to the total redemption price of issued and outstanding Carebook Redeemable Shares. Carebook will have a unilateral redemption right over the Carebook Redeemable Shares at a pre-determined price of \$1.00 per Carebook Redeemable Share.

Resulting Issuer

It is expected that following the RTO, the Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Common Shares and an unlimited number of Resulting Issuer Preferred Shares. Assuming the completion of the RTO, approximately 30,510,628 Resulting Issuer Common Shares and no Resulting Issuer Preferred Shares will be outstanding following the Effective Time. In addition to the Resulting Issuer Common Shares, the following securities of the Resulting Issuer are expected to be outstanding immediately following the completion of the Amalgamation:

- (1) 2,789,976 Resulting Issuer Options;
- (2) 2,974,740 Resulting Issuer Principal Warrants;

- (3) 4,200,000 Resulting Issuer Warrants;
- (4) 480,000 Resulting Issuer Broker Warrants; and
- (5) 25,639 Resulting Issuer Replacement Warrants.

Resulting Issuer Common Shares

Holders of Resulting Issuer Common Shares will be entitled to dividends as and when declared by the Resulting Issuer Board, to one vote per share at meetings of the Resulting Issuer's security holders and, upon liquidation, to receive such of the Resulting Issuer's assets as are distributable to the holders of Resulting Issuer Common Shares. There will be no pre-emptive rights or conversion rights attached to the Resulting Issuer Common Shares. There will also be no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the Resulting Issuer Common Shares.

Resulting Issuer Preferred Shares

The Resulting Issuer Board will be empowered to fix the number of shares in each series of Resulting Issuer Preferred Shares and to attach special rights or restrictions to the shares of that series, before the issuance of shares of any particular series. The Resulting Issuer Board will have the authority to fix, amongst other things, the number of shares constituting any such series, the identifying name of the series, the voting rights, if any, and other special rights or restrictions thereof, including the dividend rights and dividend rate, terms of redemption (including sinking fund provisions), redemption price or prices, conversion rights and liquidation rights of the shares constituting any series. The Resulting Issuer Board may issue Resulting Issuer Preferred Shares without shareholder approval and with voting and conversion rights.

ITEM 11: CONSOLIDATED CAPITALIZATION

The following table summarizes the Resulting Issuer's anticipated consolidated capitalization upon completion of the listing. The table should be read in conjunction with Carebook's Financial Statements, which are attached as Appendix C and Appendix E to this Listing Application, as well as the Pike Financial Statements available on Pike's SEDAR profile at www.sedar.com and incorporated by reference herein, and the Unaudited Pro Forma Financial Statements of the Resulting Issuer.

	Pro Forma as at June 30, 2020 (in thousands)
Cash	\$ 7,912
Long-term debt	-
Shareholders' Equity	
Preferred Shares	-
Common Shares ⁽¹⁾	39,062
Accumulated Deficit	(29,565)
Total Shareholders' Equity	9,497
Consolidated Capitalization	\$ 9,497

Notes:

- (1) 30,189,442 Resulting Issuer Common Shares issued and outstanding on a pro forma basis.

ITEM 12: STOCK OPTION PLAN

Carebook does not currently have a stock option plan. However, Carebook has granted a number of Carebook Options to current and former employees and consultants evidenced by stock option grant agreements.

At the Pike Meeting, the Pike Shareholders voted in favour of the Resulting Issuer Plan, which will be adopted by the Resulting Issuer in connection with, and subject to completion of, the RTO.

It is expected that holders of Carebook Options will receive, concurrent with the Amalgamation, (i) a vested option to acquire 1.725 post-Consolidation Pike Common Shares for each Carebook Common Share underlying the vested portion of the Carebook Option(s) held by such holder and (ii) an unvested option to acquire 1.725 post-Consolidation Pike Common Shares for each Carebook Common Share underlying the unvested portion of the Carebook Option(s) held by such holder, in each case with a new exercise price per share as determined in the agreements to be entered into with holders of Carebook Options.

In connection with, and after completion of, the RTO, it is expected that an aggregate of 2,789,976 Resulting Issuer Options will be issued and outstanding as set out in the table below.

Name of Securityholder	Number of Resulting Issuer Options	Exercise Price⁽¹⁾
Pascale Audette ⁽²⁾	820,160	\$1.48
All other employees as a group	1,969,816	\$1.17
Total	2,789,976	\$1.26

Notes:

- (1) Reflects the weighted average exercise price for the Resulting Issuer Options in cases where there is more than one grant.
- (2) Ms. Audette is the current CEO of Carebook and will be the CEO of the Resulting Issuer. See “Item 16 – Directors and Executive Officers”.

The following is a summary of the material terms of the Resulting Issuer Plan.

The Resulting Issuer Plan will provide that the Resulting Issuer Board may, from time to time, in its discretion, grant to directors, officers, employees or consultants of the Resulting Issuer or its subsidiaries, a company that is wholly-owned by such Eligible Persons or a consultant company (collectively, the “**Eligible Persons**”) non-transferable Resulting Issuer Options. The Resulting Issuer Plan will reserve a maximum of 5,500,000 of the issued and outstanding Resulting Issuer Common Shares for issuance pursuant to Resulting Issuer Options. There will be 2,789,976 Carebook Options outstanding after giving effect to the Share Split and such options will be exchanged for Resulting Issuer Options and will be subject to the Resulting Issuer Plan.

In connection with the foregoing, the number of Resulting Issuer Common Shares reserved for issuance to any one Person in any 12-month period will not exceed 5% of the issued and outstanding Resulting Issuer Common Shares determined at the date of grant, or 2% of the issued and outstanding Resulting Issuer Common Shares determined at the date of grant if such Person is a consultant. Additionally, the aggregate number of Resulting Issuer Common Shares granted to all employees or Persons conducting investor relations activities will not exceed 2% of the issued and outstanding Resulting Issuer Common Shares in any 12-month period, calculated at the date of grant. Resulting Issuer Options issued to Persons retained to provide investor relations activities will vest in stages over a period of not less than 12 months with no more than 1/4 of the Resulting Issuer Options vesting in any three-month period. Resulting Issuer Options will be exercisable for a period of up to 10 years, provided that, in the event that a Resulting Issuer Option expiry date falls during or within 10 days of a period of time during which the optionee cannot exercise a Resulting Issuer Option, or sell the Resulting Issuer Common Shares issuable pursuant to an exercise of Resulting Issuer Option, due to applicable policies of the Resulting Issuer in respect of insider trading (the “**Blackout Period**”), and neither the Resulting Issuer nor such optionee is subject to a cease trade order (or similar order) in respect of the securities of the Resulting Issuer, then the expiry date will be the date that is the tenth business day after the expiry of the Blackout Period.

The Resulting Issuer Board will determine the exercise price of Resulting Issuer Options at the date of grant, provided that such exercise price may not be less than the minimum exercise price permitted by the TSXV, the number of Resulting Issuer Common Shares which may be allotted to each Eligible Person and all other terms and

conditions of the Resulting Issuer Options, subject to the rules and policies of the TSXV. Subject to the rules and policies of the TSXV, the Resulting Issuer Board may, in its sole discretion, determine the time during which a Resulting Issuer Option will vest and the method of vesting, or that no vesting restriction will exist. If the optionee ceases to be a director, officer, employee or consultant of the Resulting Issuer or its subsidiaries for any reason other than death or termination for cause, such optionee's Resulting Issuer Options must also be exercised within the earlier of: (i) 90 days (or such longer period not to exceed 12 months as may be determined by the Resulting Issuer Board in its sole discretion) from the date of termination of employment or cessation of position with the Resulting Issuer; and (ii) prior to the expiry date of the Resulting Issuer Options. In the event of the death of an optionee, the Resulting Issuer Options previously granted to such optionee will be exercisable on the earlier of: (i) within one year following the date of the death of the optionee; and (ii) prior to the expiry date of the Resulting Issuer Options. If the optionee ceases to be a director, officer, employee or consultant of the Resulting Issuer or its subsidiaries as a result of termination for cause, such optionee's Resulting Issuer Options will expire and terminate on the date of such termination and will be cancelled as of the earlier of: (i) the date of termination; and (ii) the expiry date of the Resulting Issuer Options. The price per Resulting Issuer Common Share set by the Resulting Issuer Board will not be less than the last closing price of the Resulting Issuer Common Shares on the TSXV prior to the date on which such Resulting Issuer Option is granted, less the applicable discount permitted (if any) by the TSXV.

ITEM 13: PRIOR SALES

The following tables set forth the number and price at which securities of Carebook have been sold within the 12-month period prior to the date hereof.

Carebook Common Shares

Date	Number of Securities⁽¹⁾	Issue Price per Security	Aggregate Issue Price
September 16, 2019	494,131	\$2.02	\$1,000,000
September 27, 2019	49,413	\$2.02	\$100,000
November 19, 2019	1,553	\$2.02	\$3,143
July 2, 2020	321,187	\$2.02	\$650,003

Notes:

- (1) For ease of comparison with other information presented in this Listing Application, the number of Carebook Common Shares presented are those issued within the 12-month period prior to the date hereof after giving effect to the Share Split.

Subscription Receipts

Date	Number of Securities⁽¹⁾	Issue Price per Security	Aggregate Issue Price
August 7, 2020	6,932,000	\$2.50	\$17,330,000

Notes:

- (1) Carebook Subscription Receipts issued in connection with the Private Placement. Each Carebook Subscription Receipt will automatically convert into one (1) Carebook Unit, which itself is comprised of one Carebook Common Share and one half of a Carebook Warrant immediately prior to the completion of the Amalgamation. As part of the Amalgamation, each Carebook Common Share will be exchanged for one (1) Resulting Issuer Common Share and each Carebook Warrant will be exchanged for one (1) Resulting Issuer Warrant.

On August 7, 2020, Carebook entered into subscription agreements with certain members of its management or Affiliates thereof providing for the issuance of 400,000 Carebook Units at a price of \$2.50 per Carebook Unit prior to the completion of the RTO.

On or about October 1, 2020, Carebook expects to enter into subscription agreements with certain third party arm's length investors providing for the issuance of 1,068,000 Carebook Units at a price of \$2.50 per Carebook Unit for aggregate gross proceeds of \$2,670,000, which subscriptions are expected to be completed prior to the Effective Time.

Each Carebook Unit is comprised of one Carebook Common Share and one half of a Carebook Warrant immediately prior to the completion of the Amalgamation. As part of the Amalgamation, each Carebook Common Share will be exchanged for one (1) Resulting Issuer Common Share and each Carebook Warrant will be exchanged for one (1) Resulting Issuer Warrant.

ITEM 14: ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTIONS ON TRANSFER

Escrowed Securities

Upon completion of the RTO, the following Resulting Issuer Common Shares, Resulting Issuer Options and Resulting Issuer Warrants are expected to be held in escrow or subject to contractual restrictions on transfer:

Designation of Class	Number of Securities of the Resulting Issuer Subject to Escrow or Contractual Restrictions on Transfer	Percentage of Class (Basic)
Resulting Issuer Common Shares to be received by former Carebook Shareholders which will be subject to escrow	16,912,344 ⁽¹⁾	55.4%
Resulting Issuer Common Shares to be received by former Carebook Shareholders which will be subject to contractual restrictions on transfer	2,186,331 ⁽²⁾	7.2%
Resulting Issuer Options to be received by a former holder of Carebook Options which will be subject to escrow	820,160 ⁽³⁾	N/A
Resulting Issuer Principal Warrants to be received by former holders of Carebook Principal Warrants which will be subject to escrow	2,974,740 ⁽⁴⁾	N/A
Resulting Issuer Warrants to be received by former holders of Carebook Units which will be subject to escrow	200,000 ⁽⁵⁾	N/A
Resulting Issuer Common Shares to be received by current Pike Shareholders which will be subject to escrow	125,123 ⁽⁶⁾	N/A

Notes:

- (1) Resulting Issuer Common Shares to be held in escrow pursuant to the Resulting Issuer Escrow Agreement.
- (2) Resulting Issuer Common Shares subject to contractual restrictions on transfer entered into in favour of the Private Placement Agents under the Private Placement Agency Agreement (but excluding any Resulting Issuer Common Shares that are also to be held in escrow pursuant to the Resulting Issuer Escrow Agreement). Information regarding such contractual restrictions are provided in the Section below entitled "Contractual Lock-Up Agreements".
- (3) Resulting Issuer Options to be held in escrow pursuant to the Resulting Issuer Escrow Agreement.
- (4) Resulting Issuer Principal Warrants to be held in escrow pursuant to the Resulting Issuer Escrow Agreement.

- (5) Resulting Issuer Warrants to be held in escrow pursuant to the Resulting Issuer Escrow Agreement.
- (6) Resulting Issuer Common Shares to be held in escrow pursuant to the Pike Escrow Agreement.

Contractual Lock-Up Agreements

In connection with the Private Placement, the Private Placement Agents required that each director, officer and holders of 5% or more of the issued and outstanding Carebook Common Shares as of the date of the closing of the Private Placement enter into lock-up agreements in favour of the Private Placement Agents, pursuant to which each such individual or company agreed that, commencing on the date of the closing of the Private Placement and ending on the date that is one hundred and eighty (180) days following the Escrow Release Date, subject to certain limited exceptions, such Persons will not, without the prior written consent of the Private Placement Agents (such consent not to be unreasonably withheld), directly or indirectly,

- (a) offer, sell, contract to sell, transfer, assign, pledge, grant any option to purchase, make any short sale, or otherwise dispose or monetize the economic value of Carebook (or the Resulting Issuer) or any financial instruments convertible into, exercisable or exchangeable for, or that represent the right to receive securities of Carebook (or the Resulting Issuer), now owned directly or indirectly by such Persons, or under control or direction of such Persons or with respect to which such Persons has beneficial ownership (collectively, the “**Subject Securities**”);
- (b) enter into any swap, forward or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of the Subject Securities (regardless of whether any such arrangement is to be settled by the delivery of securities of Carebook or the Resulting Issuer, securities of another person, cash or otherwise); or
- (c) agree to do any of the foregoing or publicly announce any intention to do any of the foregoing

Resulting Issuer Escrow Agreement (Value Securities)

Pursuant to the policies of the Exchange and in addition to the Pike Common Shares held in escrow pursuant to the Pike Escrow Agreement, the following securities of the Resulting Issuer anticipated to be held by principals of the Resulting Issuer are expected to be held in escrow after giving effect to the RTO:

Name and Municipality	Designation of Class	Number of Resulting Issuer Common Shares held in Exchange Escrow	Percentage of Class
MedTech Investment, L.P. (Quebec, Canada)	Resulting Issuer Common Shares	16,043,238 ⁽¹⁾	52.6%
Esplanade HealthTech Ventures I, G.P. (Quebec, Canada)	Resulting Issuer Common Shares	321,187	1.1%
Directors and Senior Officers of the Resulting Issuer	Resulting Issuer Common Shares	547,919 ⁽²⁾	1.8%

Notes:

- (1) Includes Resulting Issuer Common Shares held by MedTech and its Affiliates. In addition, these entities hold 2,974,740 Resulting Issuer Principal Warrants.
- (2) Includes Resulting Issuer Common Shares beneficially held by directors and senior officers of the Resulting Issuer, either directly or through wholly-owned companies. In addition, Pascale Audette, Carebook's CEO, holds 820,160 Resulting Issuer Options.

The value securities will be subject to a Resulting Issuer Escrow Agreement upon closing of the RTO among the certain shareholders of the Resulting Issuer and the Escrow Agent, pursuant to the policies of the Exchange. Under the Resulting Issuer Escrow Agreement, the Resulting Issuer Escrow Shares will be released as follows:

- 25% of the securities will be released on the date of the Final Exchange Bulletin;
- 25% of the securities will be released 6 months from the Final Exchange Bulletin;
- 25% of the securities will be released 12 months from the Final Exchange Bulletin; and
- 25% of the securities will be released 18 months from the Final Exchange Bulletin.

The Resulting Issuer Escrow Shares held pursuant to the Resulting Issuer Escrow Agreement may not be sold, assigned, transferred, redeemed, surrendered or otherwise dealt with in any manner except as provided by the Resulting Issuer Escrow Agreement. The Resulting Issuer Escrow Shares may be transferred within escrow to an individual who is a director or senior officer of the Resulting Issuer or a material operating subsidiary of the Resulting Issuer, provided that certain requirements of the Exchange are met, including that the new proposed transferee agrees to be bound by the terms of the Resulting Issuer Escrow Agreement. In the event of the bankruptcy of a holder of Resulting Issuer Escrow Shares, the Resulting Issuer Escrow Shares held by such holder may be transferred within escrow to the trustee in bankruptcy or other Person legally entitled to such Resulting Issuer Escrow Shares provided that certain prescribed Exchange requirements are met.

Other than as disclosed above, no other securities of the Resulting Issuer are held in escrow or are anticipated to be held in escrow.

Pike Escrow Agreement

In connection with Pike's initial public offering completed on September 16, 2019, certain Principals of Pike entered into the Pike Escrow Agreement whereby such Principals agreed to deposit in escrow their Pike Common Shares. 10% percent of the Pike Common Shares were released from escrow upon listing of the Pike Common Shares on the CSE. The remaining 90% of Pike Common Shares are released from escrow in 15% tranches at six-month intervals over a 36-month period following the listing of the Pike Common Shares on the CSE. As of the date hereof, 1,650,000 pre-Consolidation Pike Common Shares remain escrowed pursuant to the Pike Escrow Agreement, which is expected to result in 125,123 post-Consolidation Pike Common Shares following the Consolidation.

ITEM 15: PRINCIPAL SECURITYHOLDERS

Except as set out below, no Person or company beneficially owns, controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Carebook, or will, to Carebook's best knowledge, beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the outstanding Resulting Issuer Common Shares following the RTO.

Name	Number of Carebook Shares	Percentage of Outstanding Carebook Common Shares (Undiluted)	Number of Resulting Issuer Common Shares	Percentage of Outstanding Resulting Issuer Common Shares (Undiluted)
MedTech	18,259,772	79.8%	16,702,344 ⁽¹⁾	54.7% ⁽²⁾

Notes:

- (1) Includes Resulting Issuer Common Shares expected to be held by MedTech, together with its Affiliates (all of whom are individually below 10% ownership of the Resulting Issuer Common Shares). Dr. Sheldon Elman and Mr. Stuart M. Elman, each of whom are currently directors of Carebook and who will be directors of the Resulting Issuer upon completion of the RTO, have ownership of or control or direction over the Carebook Common Shares held by and, following the RTO, the Resulting Issuer Common Shares to be held by, MedTech and its Affiliates.
- (2) MedTech, together with its Affiliates, would hold 40.5% of Resulting Issuer Common Shares on a fully diluted basis

Agreements with MedTech

Investor Rights Agreement

Conditional upon closing of the RTO, the Resulting Issuer will enter into the Investor Rights Agreement, pursuant to which, among other things, MedTech will be entitled to certain director nomination and other shareholder rights. In particular, assuming that there are a total of five (5) directors elected to the Resulting Issuer Board, MedTech will have the right to designate (i) three (3) director nominees for election to the Resulting Issuer Board for so long as MedTech and its Affiliates beneficially own, directly or indirectly, in the aggregate, 20% or more of the issued and outstanding Resulting Issuer Common Shares, (ii) two (2) director nominees for election to the Resulting Issuer Board for so long as MedTech and its Affiliates beneficially own, directly or indirectly, in the aggregate, 10% or more (but less than 20%) of the issued and outstanding Resulting Issuer Common Shares and (iii) one (1) director nominee for election to the Resulting Issuer Board for so long as MedTech and its Affiliates beneficially own, directly or indirectly, in the aggregate, 5% or more (but less than 10%) of the issued and outstanding Resulting Issuer Common Shares. Such nomination rights will terminate in the event that the ownership interest of MedTech and its Affiliates in the Resulting Issuer falls below 5% in the aggregate over a period of six (6) consecutive months. If the size of the Resulting Issuer Board is changed, the foregoing rights will be adjusted accordingly. As the Resulting Issuer will initially have five (5) directors effective on the Closing, MedTech will be entitled to three (3) nominees under the Investor Rights Agreement. MedTech's initial proposed nominee to the Resulting Issuer Board upon completion of the RTO are Dr. Sheldon Elman, Stuart M. Elman and Dr. Philippe Couillard.

The Investor Rights Agreement will also include customary subscription rights in favour of MedTech pursuant to which in the event of a proposed distribution or issuance of Resulting Issuer Common Shares or other securities convertible or exchangeable into Resulting Issuer Common Shares (other than stock options or other securities issued under security based compensation arrangements), the Resulting Issuer will grant MedTech the right to subscribe for that number of Resulting Issuer Common Shares, or, as the case may be, for securities convertible or exchangeable into Resulting Issuer Common Shares, on the same terms and conditions, including the same subscription or exercise price, as applicable, in order that MedTech may continue to maintain its pro rata equity ownership interest in the Resulting Issuer. Such subscription rights will terminate in the event that MedTech's ownership interest in the Resulting Issuer falls below 10%.

The Investor Rights Agreement provides that Resulting Issuer will report to MedTech information which is provided in the necessary course of business and is necessary for MedTech to: (a) prepare its consolidated financial statements; or (b) provide strategic business advice to the Resulting Issuer.

Registration Rights Agreement

Conditional upon Closing, the Resulting Issuer will enter into the Registration Rights Agreement. The Registration Rights Agreement provides MedTech with the right, for so long as MedTech (together with its Affiliates) owns or exercises control or direction over 10% or more of the outstanding Resulting Issuer Common Shares, to require the Resulting Issuer to qualify Resulting Issuer Common Shares currently held or subsequently acquired by MedTech and its Affiliates (whether by ownership or over which they exercise control or direction) for distribution by way of a secondary offering prospectus prepared in accordance with applicable securities laws (a "**Demand Distribution**"). MedTech is entitled to a maximum of five Demand Distributions in total, and a maximum of one Demand Distribution in any six month period; provided, however, that the aggregate market value of Resulting Issuer Common Shares specified in each request for a Demand Distribution must have an aggregate market value of not less than \$5,000,000 (or, if less than \$5,000,000, then such securities must represent at least the lesser of: (i) 5% of the issued and outstanding Resulting Issuer Common Shares on a non-diluted basis; and (ii) all of the Resulting Issuer Common Shares then held by MedTech and its Affiliates). The expenses pursuant to a Demand Distribution will be paid by the Resulting Issuer to the extent permitted by applicable law, except that MedTech will be responsible for the underwriting discounts, commissions and similar fees, and transfer taxes applicable to the Resulting Issuer Common Shares of MedTech and/or its Affiliates included in such Demand Distribution. MedTech will have the right to select the investment banker(s) and manager(s) to administer the offering of the Resulting Issuer Common Shares which are the subject of the Demand Distribution.

The Registration Rights Agreement provides MedTech with the right for so long as MedTech (together with its Affiliates) owns or exercises control or direction over 10% or more of the outstanding Resulting Issuer Common Shares to require the Resulting Issuer to include Resulting Issuer Common Shares held by MedTech in any qualification or registration of the Resulting Issuer Common Shares under applicable securities laws (a “**Piggyback Distribution**”). The Resulting Issuer must cause to be included in the Piggyback Distribution all Resulting Issuer Common Shares that MedTech requests to be included in the Piggyback Distribution; provided, however, that: (a) if a Piggyback Distribution is to occur in conjunction with a distribution of securities by the Resulting Issuer and the managing underwriters or agents advise that the total number of securities requested to be included in the distribution exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Resulting Issuer and MedTech, each acting reasonably, the Resulting Issuer will include in such distribution: (i) first, as many of the Resulting Issuer Common Shares (or other securities) that the Resulting Issuer proposes to sell from treasury as will not cause the distribution to exceed the number which can be sold in an orderly manner in such offering within a price range acceptable to the Corporation and MedTech, and (ii) second, as many of MedTech’s Resulting Issuer Common Shares requested to be included in such distribution as will not cause the distribution to exceed the maximum offering size; and (b) if a Piggyback Distribution is to occur in conjunction with a secondary distribution on behalf of another shareholder of the Resulting Issuer and the managing underwriters or agents advise that the total number of securities requested to be included in the distribution exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to that other shareholder and MedTech, then the number of Resulting Issuer Common Shares requested to be included by MedTech will be included in such distribution pro rata (based upon each securityholder’s (including MedTech’s) relative security holdings to each other) with the Resulting Issuer Common Shares or other securities request to be included in such distribution. The Resulting Issuer will have the right to select the investment banker(s) and manager(s) to administer the offering from treasury and of the Common Shares which are subject to the Piggyback Distribution. The expenses pursuant to the Piggyback Distribution will be paid by the Resulting Issuer to the extent permitted by applicable law, except that MedTech will be responsible for the underwriting discounts, commissions and similar fees, and transfer taxes applicable to the Resulting Issuer Common Shares of MedTech included in such Piggyback Distribution.

Upon receipt of a request from MedTech for a Demand Distribution or a Piggyback Distribution, and subject to the execution and delivery of an underwriting agreement in form and content satisfactory to the Resulting Issuer, acting reasonably, the Resulting Issuer will use its reasonable commercial efforts to effect the distribution of the Resulting Issuer Common Shares which are the subject of a Demand Distribution or Piggyback Distribution. Pursuant to the Registration Rights Agreement, the Resulting Issuer is obligated to indemnify MedTech (and its managers, directors, officers, employees, shareholders, partners and agents) for any untrue or alleged untrue statement of a material fact contained in any prospectus, or any amendment thereof or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make any statement therein not misleading. Pursuant to the Registration Rights Agreement, MedTech may be requested by the Resulting Issuer to indemnify the Resulting Issuer for any untrue statement or alleged untrue statement of a material fact contained in any prospectus, or any amendment thereof or supplement thereto, relating solely to MedTech furnished to the Resulting Issuer in writing by MedTech and stated to be specifically for use in any such document, or any omission or alleged omission to state therein a material fact relating to MedTech required to be stated therein or necessary to make any statement therein not misleading.

ITEM 16: DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding of Directors and Officers

The following table provides the names, province or state and country of residence, position, and principal occupations of each executive officer and director expected to be an executive officer and/or director of the Resulting Issuer, as well as the number and percentage of Resulting Issuer Common Shares that are expected to be beneficially owned, directly or indirectly, or which control or direction is expected to be exercised, by each such person. It is expected that the term of each director listed below will conclude at the end of the Resulting Issuer’s next annual meeting of shareholders following closing of the RTO, subject to reappointment by the shareholders of the Resulting Issuer at such meeting.

Name and Residence	Positions Held with Resulting Issuer	Principal Occupation or Employment During the Past Five Years	Start Date	Number of Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of Resulting Issuer Common Shares Beneficially Owned, or Controlled⁽¹⁾
Dr. Sheldon Elman <i>QC, Canada</i>	Executive Chairman	Founder and Chairman Emeritus, Medisys Health Group Co-Founder, Persistence Capital Partners Co-Founder, Esplanade HealthTech Ventures Chair of TELUS International Venture Partner, Esplanade HealthTech Ventures	On the Effective Date	16,702,344 ⁽²⁾	54.7% ⁽²⁾
Josh Blair ⁽³⁾ <i>BC, Canada</i>	Vice-Chair	Former Group President and Chief Corporate Officer, TELUS (Health, International, Business, Agriculture, Ventures)	On the Effective Date	100,000	0.3%
Dr. Philippe Couillard <i>QC, Canada</i>	Director	Senior Advisor, Dentons LLP Former Premier of Quebec Founding Partner, BCF, a Montreal-based business law firm	On the Effective Date	-	-
Anne-Marie Boucher ⁽³⁾ <i>QC, Canada</i>	Director	Founding investor, BCF Ventures Director, Weizmann Institute of science Director, of the Quebec Association of Tax and Financial planning	On the Effective Date	100,000	0.3%
Stuart M. Elman ⁽³⁾ <i>QC, Canada</i>	Director	Managing Partner and Co-Founder, Persistence Capital Partners	On the Effective Date	16,702,344 ⁽²⁾	54.7% ⁽²⁾

Name and Residence	Positions Held with Resulting Issuer	Principal Occupation or Employment During the Past Five Years	Start Date	Number of Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of Resulting Issuer Common Shares Beneficially Owned, or Controlled⁽¹⁾
Pascale Audette <i>QC, Canada</i>	Chief Executive Officer	Chief Executive Officer, Carebook Technologies Inc. COO and SVP Product Development, Behaviour Interactive Managing Director, Esplanade HealthTech Ventures (a venture capital firm)	On the Effective Date	-(⁽⁴⁾)	-
Jeffrey Kadanoff ⁽⁵⁾ <i>QC, Canada</i>	Interim Chief Financial Officer	Former CFO and consultant, Aspex Eyewear Former CFO, Synergy CHC Corp Former CFO, Knight Therapeutics Inc.	On the Effective Date	10,000	0.0%
Zev Zelman <i>QC, Canada</i>	Corporate Secretary	General Counsel, Persistence Capital Partners	On the Effective Date	-	-

Notes:

- (1) On a fully diluted basis assuming completion of the RTO.
- (2) Includes all of the Resulting Issuer Common Shares held beneficially by MedTech and its Affiliates, over which Dr. Sheldon Elman and Stuart M. Elman jointly exercise control or direction. In addition, MedTech and its Affiliates are also expected to hold 2,974,740 Resulting Issuer Principal Warrants upon completion of the RTO.
- (3) Member of the Audit Committee.
- (4) Pascale Audette is also expected to hold 820,160 Resulting Issuer Options upon completion of the RTO.
- (5) Mr. Kadanoff is the Managing Director of Esplanade HealthTech Ventures, a shareholder of Carebook. Mr. Kadanoff acts as interim Chief Financial Officer and dedicates approximately 50% of his time to such role. Carebook plans to engage a full time Chief Financial Officer of the Resulting Issuer following completion of the RTO.

The executive officers and directors of the Resulting Issuer are expected to own, directly or indirectly, or exercise control or direction over 16,912,344 Resulting Issuer Common Shares, representing approximately 55.4% of the Resulting Issuer Common Shares expected to be issued and outstanding following the RTO.

Biographical information regarding each such director and executive officer is presented below.

Dr. Sheldon Elman, Executive Chairman and Director (Age: 70)

Dr. Elman is a practicing physician. He is the Founder and Chairman Emeritus of Medisys Health Group. Under his leadership, Medisys became Canada's leading national private and corporate healthcare service provider until its sale to TELUS Health in 2018. Dr. Elman is also the co-founder of Persistence Capital Partners, a leading Canadian healthcare-focused private equity firm and the co-founder and chairman of Esplanade HealthTech Ventures, a digital

health venture capital firm. Dr. Elman is a board member of the CD Howe Institute, a member of the Cercle des Présidents, a member of World Presidents Organization (WPO), a past recipient of E&Y's Entrepreneur of the Year Award in Quebec, as well as a past Co-Chair of the Canadian Cancer Society's Daffodil Ball and Co-Chair of the Quebec Ride to Conquer Cancer.

Josh Blair, Vice Chairman and Director (Age: 47)

Mr. Blair is the Chair of the Board of TELUS International, a leader in the provision of business services, with almost 50,000 team members globally. Prior to that, Mr. Blair served at TELUS in diverse leadership capacities over a quarter of a century. From 2014 to 2019, he was Group President and Chief Corporate Officer, overseeing the successful progression of TELUS International, TELUS Health, TELUS Business Solutions, TELUS Agriculture and TELUS Ventures. Mr. Blair is also a Venture Partner with Esplanade HealthTech Ventures, a digital health venture capital firm. Earlier in his career, Mr. Blair proved himself to be a successful entrepreneur, leading a start-up business that developed network management software until he orchestrated a sale of the company to Verisign. Mr. Blair has served in multiple board and advisory capacities over his career, supporting organizations such as the Business Council of British Columbia and Canada's Health and Biosciences Economic Strategy Table.

Dr. Philippe Couillard, Director (Age: 63)

Dr. Couillard is a Senior Business Advisor in the Montréal office of Dentons LLP, where he provides strategic advice to clients. Dr. Couillard served as Chairman of Surgery at the Centre Hospitalier Universitaire de Sherbrooke before beginning his political career. Dr. Couillard was elected member of the National Assembly of Québec for the Mount Royal riding and served as Minister of Health and Social Services from 2003 to 2008. In the years that followed, Dr. Couillard was a partner at Persistence Capital Partners (2009-2011), and joined a consulting firm as a strategic advisor. In 2013, Dr. Couillard returned to public service and was elected leader of the Liberal Party of Québec. On April 7, 2014, he won the riding of Roberval and became the 31st Premier of Québec. Dr. Couillard retired from politics in 2018 after a total of 10 years of serving the public.

Anne-Marie Boucher, Director (Age: 54)

Mrs. Boucher is an experienced and well-respected tax professional and philanthropist with international experience in large organizations, both for-profit and non-profit. Mrs. Boucher was a founding partner of one of Montreal's fastest growing law firms, BCF, where she practiced tax and corporate law, specializing in tax and succession planning. Mrs. Boucher is still a counsel to BCF, and is a founding investor and member of the investment committee of BCF Ventures, an early stage venture capital fund. Mrs. Boucher also provides active oversight of the holdings and investments of the Garber Family Office and others. Mrs. Boucher taught tax and estate planning for several years at University of Montreal, University of Sherbrooke, and McGill University. She is an investor and Board member of Enerjet, Canada's newest airline led by the esteemed private equity groups Indigo Partners and Torquest. Mrs. Boucher has a formal education in Board governance and best practices from the Corporate Directors College and sits on a number of leading Montreal, Canadian and international Boards, including the prestigious Weizmann Institute of science in Israel, Alpine Canada, the McCord Museum, the Jewish Community Foundation, the World Wildlife Foundation (Canada) and St. Mary's Hospital Foundation as the immediate Past Chair.

Stuart M. Elman, Director (Age: 43)

Together with Dr. Sheldon Elman, Mr. Elman co-founded Persistence Capital Partners, a leading Canadian healthcare-focused private equity fund in 2008. He is responsible for all aspects of Persistence Capital Partners, from sourcing, evaluating and executing on investment opportunities to managing existing investments. Mr. Elman currently sits on the Board of Directors of a number of Persistence Capital Partners' portfolio companies. Prior to co-founding Persistence Capital Partners, Mr. Elman spent nine years at Medisys Health Group initially as CFO, and later as President, where he was instrumental in raising capital and leading the company's significant organic and M&A-driven growth. He led Medisys' IPO on the Toronto Stock Exchange in 2002 and its going-private transaction and acquisition by Persistence Capital Partners in 2008. Mr. Elman began his career at Trader Classified Media, then the world's largest classified advertising group, where his responsibilities included strategic planning, business development and M&A. He is also member of the Young Presidents Organization.

Pascale Audette, Chief Executive Officer (Age: 52)

Ms. Audette is a senior executive with 20+ years of business management and expertise in balancing strategy and operations. She has an established track record of building teams of experts committed to sustainable growth—including five years leading the explosive global expansion post acquisition of The Walt Disney Company's Club Penguin. Under her leadership as Head of Studio and Vice President of Global Operations, Club Penguin experienced significant growth. Ms. Audette's extensive engagement and product expertise comes from additional roles including being COO and SVP of Product Development at Behaviour Interactive, Canada's largest independent game developer and publisher. Ms. Audette is also actively involved in the investment and start-up community in Canada and beyond as a Director at Orbite – Real Investment Management and Business Mentor at FounderFuel among others.

Jeffrey Kadanoff, Interim Chief Financial Officer (Age: 49)

Mr. Kadanoff is an experienced finance and general management leader. Mr. Kadanoff is the Managing Director of Esplanade HealthTech Ventures (a digital health venture capital firm), overseeing all firm investing activity and providing support to digital health companies including taking on an active role in Carebook's strategic partnering and M&A initiatives. Prior to Esplanade, Mr. Kadanoff served in a consultant role as CFO of Aspex Eyewear Group (Aspex), a global distributor of quality eyewear and sunwear. Prior to Aspex, Mr. Kadanoff helped take Knight Therapeutics Inc., a leading Canadian specialty pharmaceutical company, public where he completed 5 equity raises over a four-year period, all at increasing valuations, for total gross proceeds of \$685 million. He then went on to be CFO of one of Knight's publicly traded US based life sciences partners, Synergy CHC Corp. Mr. Kadanoff acts as interim Chief Financial Officer of Carebook and dedicates approximately 50% of his time to such role. Carebook plans to engage a full time Chief Financial Officer of the Resulting Issuer following completion of the RTO.

Zev Zelman, Corporate Secretary (Age: 44)

Mr. Zelman is General Counsel of Persistence Capital Partners and has over 14 years of experience as a corporate and business lawyer. Prior to joining Persistence Capital Partners, Mr. Zelman practiced and specialized in the areas of corporate and securities law and mergers and acquisitions with Stikeman Elliott LLP. In his capacity as General Counsel, Mr. Zelman is responsible for the overall legal affairs for Persistence Capital Partners and its portfolio companies, which includes day-to-day general corporate and commercial matters, governance and compliance, acquisitions and divestitures and debt and equity financings. Mr. Zelman is also actively involved in board and committee functions of Persistence Capital Partners and its portfolio companies.

Other Directorships

The following table describes each director's and officer's personal experience as a director or officer of another reporting issuer (or the equivalent in another jurisdiction) in the last five-year period:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Dr. Sheldon Elman	KDA Group Inc (BC, AB, ON, QC)	TSX-V	Director	August 26, 2016	June 12, 2020
Stuart M. Elman	KDA Group Inc (BC, AB, ON, QC)	TSX-V	Director	July 4, 2016	June 12, 2020
Josh Blair	TELUS Corporation (Canada)	TSX, NYSE	EVP, Group President and Chief Corporate Officer	November 22, 2007	December 30, 2019
Pascale Audette	ProSmart Enterprises Inc. (BC, AB, ON)	TSXV	Director	January 29, 2018	June 2, 2020
	Synergy CHC Corp. (United States)	OTCQB	CFO	November 1, 2017	August 17, 2018
Jeffrey Kadanoff	Knight Therapeutics Inc. (Canada)	TSX	CFO	February 28, 2014	October 13, 2017

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Ms. Audette was a director of ProSmart Enterprises Inc. at the time it was issued a cease trade order. On February 1, 2019, ProSmart Enterprises Inc. was issued a cease trade order for not filing its annual financial statements for the year ended September 30, 2018, including the related management discussion and analysis, annual information form and CEO and CFO certifications, such filings needed to be filed by January 28, 2019. Since June 2, 2020, Ms. Audette is no longer a director of ProSmart Enterprises Inc. As at the date hereof, the cease trade order issued to ProSmart Enterprises Inc. is still in effect.

Other than Ms. Audette, no person expected to be a director or executive officer of the Resulting Issuer, is, as of the date of this Listing Application, or has been, within the 10 years preceding the date of this Listing Application, a director, chief executive officer or chief financial officer of any company, that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of Carebook's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer:

- (a) is, as of the date of this Listing Application, or has been within 10 years preceding the date of this Listing Application, a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings,

arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the 10 years before the date of this Listing Application, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of Carebook's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of Carebook, there are no known material existing or potential conflicts of interest among Carebook's directors, officers or other members of management, or any person expected to be a director or executive officer of the Resulting Issuer, as a result of their outside business interests as of the date of this Listing Application.

Certain of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon completion of the RTO are also directors and/or officers of other reporting and non-reporting issuers or are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services Carebook intends to provide. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the BCBCA to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. See "Item 16 - Directors and Executive Officers - Name, Occupation and Security Holding of Directors and Officers" and "Item 24 - Interest of Management and Others in Material Transactions".

ITEM 17: EXECUTIVE COMPENSATION

In this section "Named Executive Officer" or "NEO" means the Executive Chairman, CEO, the CFO, and the two most highly-compensated other executive officers who were serving as executive officers at December 31, 2019 and whose total compensation exceeded \$150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an NEO of Carebook as of December 31, 2019.

As of December 31, 2019, the NEOs were Dr. Sheldon Elman, Executive Chairman; Pascale Audette, CEO; Jeffrey Kadanoff, CFO; Mathieu Lampron, VP Products; and Charles Martin, VP Technology.

Objective, Oversight, and Description of Director and Named Executive Officer Compensation

The Resulting Issuer is expected to adopt and maintain Carebook's executive compensation policies following the completion of the RTO.

Executive officer compensation is determined by the Carebook Board, based in part on recommendations from the CEO. The Carebook Board recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility. The objectives of Carebook's compensation policies and practices are:

- to reward individual contributions in light of Carebook's performance;
- to be competitive with the companies with whom Carebook competes for talent;
- to align the interests of the executives with the interests of the Carebook Shareholders; and
- to attract and retain executives who could help Carebook achieve its objectives.

The Carebook Board believes that Carebook's compensation plan is consistent with the companies Carebook competes with for talent.

Carebook does not currently have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by, these individuals

Base Salary

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to NEOs is reviewed annually by the Carebook Board as part of the annual review of executive officers (and such practice will be continued by the Resulting Issuer Board). The decision whether to grant an increase to the executive's base salary and the amount of any such increase will be in the sole discretion of the Resulting Issuer Board.

Incentive Bonuses

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees.

Option Based Awards

The objectives of option based awards is to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of Carebook.

External Management Companies

Jeffrey Kadanoff, Carebook's interim Chief Financial Officer, is an independent contractor of Carebook. No other NEO is employed or retained by an external management company.

Stock options and Other Compensation Securities

No stock options and other compensation securities have been granted or issued to, or exercised by, directors and NEOs of Carebook during the most recently completed financial year.

Stock Option Plans and Other Incentive Plans

Carebook does not have a stock option plan. Instead, it distributes stock options to individuals pursuant to individual stock option agreements with certain of its executives and employees.

Employment, Consulting and Management Agreements

Carebook had entered into the following employment or consulting contracts with its NEOs and directors as of the end of the most recently completed financial year:

- (a) *Pascale Audette*: The employment agreement with Ms. Audette was entered into on May 16, 2016 for an indefinite term. Ms. Audette is entitled to an annual base salary of \$225,000 and is eligible to receive a discretionary bonus of up to 33% of the base salary. Ms. Audette's employment may be terminated at any time by Carebook for just cause, without any further compensation (other than accrued compensation). In the event Ms. Audette's

employment is (or is deemed to be) terminated by Carebook without cause, she is entitled, in lieu of notice, to receive customary termination payments. Ms. Audette's employment agreement also includes customary provisions regarding non-competition, non-solicitation and confidentiality. Upon completion of the RTO, Ms. Audette is expected to hold 820,160 Resulting Issuer Options to be governed by the Resulting Issuer Plan.

- (b) *Mathieu Lampron*: The employment agreement with Mr. Lampron was entered into on August 4, 2016 for an indefinite term. Mr. Lampron is entitled to an annual base salary of \$150,000 and is eligible to receive a discretionary bonus. Mr. Lampron's employment may be terminated at any time by Carebook for just cause, without any further compensation (other than accrued compensation). In the event Mr. Lampron's employment is (or is deemed to be) terminated by Carebook without cause, he is entitled, in lieu of notice, to receive customary termination payments. Mr. Lampron's employment agreement also includes customary provisions regarding non-competition, non-solicitation and confidentiality. Upon completion of the RTO, Mr. Lampron is expected to hold 306,017 Resulting Issuer Options to be governed by the Resulting Issuer Plan.
- (c) *Charles Martin*: The employment agreement with Mr. Martin was entered into on March 12, 2018 for an indefinite term. Mr. Martin is entitled to an annual base salary of \$160,000 and is eligible to receive a discretionary bonus. Mr. Martin's employment may be terminated at any time by Carebook for just cause, without any further compensation (other than accrued compensation). In the event Mr. Martin's employment is (or is deemed to be) terminated by Carebook without cause, he is entitled, in lieu of notice, to receive customary termination payments. Mr. Martin's employment agreement also includes customary provisions regarding non-competition, non-solicitation and confidentiality. Upon completion of the RTO, Mr. Martin is expected to hold 306,017 Resulting Issuer Options to be governed by the Resulting Issuer Plan.

Pension and Retirement Plans

Carebook has no pension or retirement plans or other forms of retirement compensation. Furthermore, it is not anticipated that the Resulting Issuer will have any pension or retirement plan or deferred compensation plan in the 12 months following completion of the RTO.

Summary Compensation Table

The following table is a summary of compensation paid to NEOs of Carebook during the financial years ended December 31, 2019 and 2018:

Name and position	Year Ended Dec 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dr. Sheldon Elman, Executive Chairman	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Pascale Audette, Chief Executive Officer ⁽¹⁾	2019	\$270,742	\$75,000	Nil	\$4,800	\$18,746	\$365,687
	2018	\$225,000	\$75,000	Nil	\$4,800	\$13,802	\$315,002
Jeffrey Kadanoff, Interim Chief Financial Officer	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Mathieu Lampron, VP Products ⁽¹⁾	2019	\$185,000	Nil	Nil	\$1,200	\$5,352	\$191,552
	2018	\$160,000	Nil	Nil	\$1,200	\$1,158	\$162,358
Charles Martin, VP Technology ⁽¹⁾	2019	\$170,000	Nil	Nil	\$1,200	\$12,615	\$183,815
	2018	\$137,308	Nil	Nil	\$969	\$4,664	\$175,864

Notes:

- (1) Full time employees of Carebook.

ITEM 18: INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or senior officer of Carebook, or expected director, executive officer or senior officer of the Resulting Issuer, or any associates of such persons, is indebted to Carebook or is expected to be indebted to the Resulting Issuer immediately following the completion of the RTO and no indebtedness of such persons in the Listing Application subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by Carebook or the Resulting Issuer.

ITEM 19: AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

Composition of the Audit Committee

The following will be the members of the Audit Committee: Stuart M. Elman, Anne-Marie Boucher and Josh Blair. All such members are financially literate, and Anne-Marie Boucher and Josh Blair are independent.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Audit Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "*Item 16 – Directors and Executive Officers – Name, Occupation and Security Holding of Directors and Officers*".

Audit Committee Oversight

The primary function of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its financial oversight responsibilities by reviewing the Resulting Issuer's (i) financial reports and other financial information provided by the Resulting Issuer to regulatory authorities and shareholders, and (ii) auditing, accounting and financial reporting processes.

The Resulting Issuer Board will adopt a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure documents containing financial information and reporting on such review to the Resulting Issuer Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors, setting policies and procedures for the engagement of non-audit services and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

Reliance on Certain Exemptions

As the Resulting Issuer will be listed on the TSXV, it will be a "venture issuer" and may avail itself of exemptions from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110, which require the independence of each member of an audit committee, subject to limited exceptions and the disclosure of audit committee information in an annual information form, respectively. It is expected that the Resulting Issuer will rely on the exemption in Part 3 because not all the members of its Audit Committee will be independent, and it is expected that it also will rely on exemption in Part 5 because, as a venture issuer, it is not required to file an annual information form.

External Auditor Services Fees

Carebook's auditor is Deloitte LLP. The following table provides the aggregate fees billed by Carebook's external auditor in each of the last two fiscal years.

Nature of Services	Fees Billed by Auditor for the fiscal year ended	
	December 31, 2019	December 31, 2018
Audit Fees ⁽¹⁾	\$28,355	\$28,355
Audit-Related Fees ⁽²⁾	\$21,400	-
Tax Fees ⁽³⁾	\$4,013	\$3,745
All Other Fees ⁽⁴⁾	-	-
Total	\$53,768	\$45,296

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of Carebook's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services, in the aggregate.

Corporate Governance

Canadian securities regulatory policy as reflected in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires that venture issuers like the Resulting Issuer must disclose on an annual basis their approach to corporate governance. National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Resulting Issuer's approach to corporate governance in the context of NI 58-101 and NP 58-201 (together the "Policies") as well as its compliance with the mandatory rules relating to audit committees is set out below.

Board of Directors

The Policies require that the board of directors of a venture issuer determine and disclose the status of each director as independent or not, based on each director's interest in or other relationship with the issuer. Under the Policies, the applicable definition of independence is that contained in National Instrument 52-110 - *Audit Committees*, under which a director is "independent" where he or she "has no direct or indirect material relationship" with the issuer. A "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement. National Instrument 52-110 - *Audit Committees* also deems certain individuals as having a material relationship with the issuer, and who are therefore not independent.

The Resulting Issuer intends to have 5 directors. A majority of the directors will be independent.

Orientation and Continuing Education

It is anticipated that the Resulting Issuer Board will have formal orientation and training programs, each new director will receive an orientation, minutes of meetings, written mandates, guidelines and other relevant corporate documents needed to understand the Resulting Issuer's business and processes. The commitment needed from

directors, particularly the commitment of time and energy, will be emphasized to directors prior to their appointment nomination.

Directors will be encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to keep themselves up to date with best director and corporate governance practices. The Resulting Issuer intends to provide continuing education for its directors as the need arises. Directors will have full access to the Resulting Issuer's records.

Ethical Business Conduct

The Resulting Issuer Board intends to adopt a written code of business conduct and ethics and a whistleblower policy for its directors, officers, employees, and contractors (the "**Code**"). The Resulting Issuer Board will be responsible for monitoring compliance with the Code.

The Resulting Issuer Board will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

Nomination of Directors

The Resulting Issuer Board does not intend to establish a nominating committee. The Resulting Issuer Board as a whole will be responsible for filling vacancies on the Resulting Issuer Board and recommending potential nominees for directors, and will use an informal consultative process. The Resulting Issuer Board will analyze the needs of the board when vacancies arise and identify and propose new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective nomination process, the independent members of the Resulting Issuer Board will be encouraged to recommend nominees for the Resulting Issuer Board.

Compensation

The Resulting Issuer does not intend to establish a compensation committee. The Resulting Issuer Board will review directors' compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Resulting Issuer Board will decide the compensation of the Resulting Issuer's officers based on industry standards and the Resulting Issuer's financial situation.

Other Board Committees

The Resulting Issuer Board does not intend to have committees other than the Audit Committee. The Resulting Issuer Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board.

Assessments

The Resulting Issuer Board will monitor the adequacy of information given to directors, communication between the Resulting Issuer Board and management and the strategic direction and processes of the Resulting Issuer Board and the Audit Committee.

ITEM 20: AGENT, SPONSOR OR ADVISOR

Carebook is requesting an exemption from the sponsorship requirements under Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements of the Exchange* of the Exchange's Corporate Finance Manual ("**Policy 2.2**"). Under Section 3.4(a)(ii) of Policy 2.2, an exemption from the sponsorship requirement may be available where, among other things, there is: (a) significant involvement of a bank or other major financial institution in the transaction; or (b) the issuer conducts a concurrent brokered financing of at least \$500,000 in connection with the transaction, and the agent for

that transaction has provided the Exchange with confirmation that it has completed appropriate due diligence on both the transaction and the accompanying disclosure document describing it. Such conditions will have been satisfied given the role of the Lead Agent (including the Lead Agent's due diligence investigations) in connection with the Private Placement. Carebook expects that the Exchange will correspondingly grant the request for an exemption from the sponsorship requirements, subject to the Lead Agent submitting to the Exchange the due diligence confirmation letter contemplated by Section 3.4(a)(ii)(B)(II) of Policy 2.2.

Except as disclosed herein, there are no actual or anticipated agreements with any registrant to provide sponsorship or corporate finance services either now or in the future.

ITEM 21: RISK FACTORS

An investment in the securities of Carebook or the Resulting Issuer is highly speculative, involves a high degree of risk and should be undertaken only by Persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this Listing Application and filed on SEDAR at www.sedar.com. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of Carebook and the Resulting Issuer will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of the Resulting Issuer's securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks the Resulting Issuer may face. Management of Carebook believes that factors set out below could cause actual results to be different from expected and historical results. Other sections of this Listing Application include additional factors that could have an effect on the business and financial performance of the Resulting Issuer's business following the completion of the RTO. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

References below to "Carebook" will, as the context permits or requires, be read to include the "Resulting Issuer" upon the completion of the RTO. Furthermore, references below to the "Resulting Issuer" refer to the Resulting Issuer and all of its subsidiaries, as applicable.

Risks Related to the Resulting Issuer's Securities

The price of the Resulting Issuer's common shares may experience volatility and may be subject to fluctuation in the future based on market conditions.

The market prices for securities of development stage technology companies have historically been highly volatile. The market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of any particular company. In addition, because of the nature of the Resulting Issuer's business, certain factors such as announcements of, and competition from, new products or technological innovations, government regulations, fluctuations in operating results, results of test, general market conditions and developments in patent and proprietary rights can have an adverse impact on the market price of the Resulting Issuer's common shares. Any negative change in the public's perception of the Resulting Issuer's prospects could cause the price of its common shares to decrease dramatically. Furthermore, any negative change in the public's perception of the prospects of digital health companies in general or the market in general could depress the Resulting Issuer's share price regardless of its results. Volatility or depression in the capital markets, particularly with respect to digital health companies, could also affect the Resulting Issuer's ability to raise additional capital.

The Resulting Issuer's shareholders may experience significant dilution from future sales of its securities.

The Resulting Issuer may need to raise additional capital in the future. The sale of additional equity, including warrants or debt securities, if convertible into equity will result in dilution to the Resulting Issuer's existing

shareholders. Also, any debt financing, if available, may require the Resulting Issuer to pledge its assets as collateral or involve restrictive covenants, such as limitations on the Resulting Issuer's ability to incur additional indebtedness, limitations on its ability to acquire or license intellectual property rights and other operating restrictions that could negatively impact the Resulting Issuer's ability to conduct its business. As a result, the Resulting Issuer's future net income per share could decrease in future periods and the market price of its common shares could decline. The perceived risk of dilution may negatively impact the price of the Resulting Issuer's common shares and may cause its shareholders to sell their common shares, which would contribute to a decline in the price of the Resulting Issuer's common shares. Moreover, the perceived risk of dilution and the resulting downward pressure on the Resulting Issuer's common share price could encourage investors to engage in short sales of its common shares, which could further contribute to progressive price declines in the Resulting Issuer's common shares.

Completion of the RTO is subject to several conditions precedent that must be met and failure to meet such conditions precedent would result in termination of the RTO.

The completion of the RTO is subject to several conditions precedent certain of which are outside the control of Pike or Carebook. There can be no assurance that any of the conditions will be met or that the RTO will be completed on the terms set out in the Business Combination Agreement and the Amalgamation Agreement. In the event that any of the conditions precedent are not satisfied or waived by the relevant party, the RTO may not be completed. The RTO may not be completed, due to failure to obtain consents or approvals, failure to timely satisfy conditions to closing, termination of the Business Combination Agreement or Amalgamation Agreement by either party, or for other reasons. There is no guarantee that (i) the conditions to closing will be timely satisfied, or (ii) the circumstances under which Pike or Carebook may terminate the Business Combination Agreement and Amalgamation Agreement will not occur. As such, the RTO may not occur.

There is no assurance that the RTO will receive necessary regulatory and Exchange approval or approval of any third parties, as applicable.

The Resulting Issuer will, upon completion of the RTO, be a holding company with no operations of its own and, as such, it depends on its subsidiary for cash to fund its operations and expenses, including future dividend payments, if any.

Upon completion of the RTO, the Resulting Issuer will be a holding company, and the operations will be conducted through Carebook Subco, which will be wholly-owned indirect subsidiary of the Resulting Issuer. As a holding company, the Resulting Issuer's principal source of cash flow will be distributions from its operating subsidiaries. Therefore, the Resulting Issuer's ability to fund and conduct its business, service any debt and pay dividends, if any, in the future will depend on the ability of its direct and indirect subsidiaries to generate sufficient cash flow to make upstream cash distributions to the Resulting Issuer. The Resulting Issuer's operating subsidiaries are separate legal entities, and although they are directly and indirectly wholly-owned and controlled by the Resulting Issuer, such subsidiaries have no obligation to make any funds available to the Resulting Issuer, whether in the form of loans, dividends or otherwise. The ability of the Resulting Issuer's subsidiaries to distribute cash to the Resulting Issuer will also be subject to, among other things, availability of sufficient funds in such subsidiary and applicable laws and regulatory restrictions. Claims of any creditors of the Resulting Issuer's subsidiaries generally will have priority as to the assets of such subsidiary over the Resulting Issuer's claims and claims of its creditors and shareholders.

The Resulting Issuer may be subject to securities litigation, which is expensive and could divert management attention.

The market price of the Resulting Issuer's common shares may be volatile, and in the past companies that have experienced volatility in the market price of their shares have been subject to securities class action litigation. The Resulting Issuer may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could adversely impact the Resulting Issuer's business. Any adverse determination in litigation could also subject the Resulting Issuer to significant liabilities.

The Resulting Issuer does not intend to pay any dividends in the foreseeable future.

It is not anticipated that the Resulting Issuer will pay any dividends in the foreseeable future. The declaration of dividends will be at the discretion of the Resulting Issuer Board, even if the Resulting Issuer has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on the Resulting Issuer's financial results, cash requirements, future prospects and other factors deemed relevant by its board of directors.

There may be no market for the Resulting Issuer's common shares.

There can be no assurance that an active market for the Resulting Issuer's common shares will develop or be sustained. If an active public market for the Resulting Issuer's common shares does not develop, the liquidity of a purchaser's investment may be limited, and the share price may decline.

As a venture issuer, the Resulting Issuer will not be required to make representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Resulting Issuer's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Resulting Issuer will not be required to make any representations that they have:

- (a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Resulting Issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

The Resulting Issuer will have discretion in the use of net proceeds.

The Resulting Issuer's management will have broad discretion in using the net proceeds from the Private Placement in ways that it deems most efficient. The application of the proceeds to various items may not benefit the business or increase its value. If proceeds are not applied effectively, this misapplication could adversely affect its business, results of operations and financial condition.

Risks Related to Carebook's Business and Industry

Carebook conducts its business in a heavily regulated industry.

The healthcare industry in which Carebook operates (including the pharmacy and insurance industries) is heavily regulated and closely scrutinized by governmental agencies. Comprehensive statutes and regulations pertaining to providing remote healthcare as well as privacy, data protection and other matters relating to information collection, govern the manner in which Carebook provides and market its services, generate revenue and generally conduct its operations. Achieving and sustaining compliance with these laws and regulations may prove costly. While Carebook believes that it is in material compliance with all applicable laws, due to the uncertain and evolving regulatory environment, it may be determined that Carebook is in violation of existing laws or will be in violation of future laws. In the event that Carebook must remedy such violations, it may be required to modify its services, products

and commercial arrangements in a manner that undermines its solution's attractiveness to its customers, providers, partners or experts, it may become subject to fines or other penalties or, if Carebook determines that the requirements to operate in compliance are overly burdensome, it may elect to terminate certain of its products or services. In each case, Carebook's revenue may decline, and its business, financial condition and results of operations could be materially adversely affected. Carebook's failure to accurately anticipate the application of the laws and regulations applicable to its business or any other failure to comply with regulatory requirements could create liability and negatively affect its business. Any action against Carebook for violation of these laws or regulations, even if it successfully defends against it, could cause Carebook to incur significant legal expenses, divert its management's attention from the operation of its business and result in serious reputational damage and loss of customer and user confidence in Carebook's products and services. Additionally, it is possible that the laws and rules governing the practice of medicine, including remote healthcare, insurance and pharmacy products and services, privacy, data protection and other matters relating to information collection, in one or more jurisdictions may change in a manner deleterious to Carebook's business. Carebook cannot assure investors that any new or changed healthcare laws, regulations or standards will not materially adversely affect its business or that a review of its business by judicial, law enforcement, regulatory or accreditation authorities will not result in a determination that could adversely affect its business, financial condition and results of operations.

Additionally, the introduction of new services may require Carebook to comply with additional, yet undetermined, laws and regulations. Compliance may require obtaining appropriate licenses or certificates, increasing Carebook's security measures and expending additional resources to monitor developments in applicable rules and ensure compliance. The failure to adequately comply with these future laws and rules may delay or possibly prevent some of Carebook's products or services from being offered to customers and users, which could have a material adverse effect on its business, financial condition and results of operations.

Carebook's use and disclosure of personally identifiable information, including personal health information, is subject to privacy and security regulations, and failure to comply with such regulations could result in significant liability or reputational harm and, in turn, a material adverse effect on its business.

Carebook and its customers can use Carebook's products to collect, use, process and store information regarding customers and individuals. There are numerous local and foreign laws, regulations and directives regarding privacy and the collection, storage, transmission, use, processing, disclosure and protection of personally identifiable information ("PII"), including personal health information ("PHI"), and other personal or customer data, the scope of which is continually evolving and subject to differing interpretations. Carebook must comply with such laws, regulations and directives and it may be subject to significant consequences, including reputational harm, penalties and fines, for its failure to comply.

In Canada, these laws and regulations include, among others, the *Personal Information Protection and Electronic Documents Act* (Canada) ("PIPEDA"), which govern the collection, use and disclosure of personal information, including PII and PHI, in the course of its business activities and interactions with its customers. Pursuant to PIPEDA, organizations may collect, use or disclose personal information only for purposes that a reasonable person would consider appropriate in the circumstances. Moreover, PIPEDA requires, among other things, data-breach notification and record keeping procedures.

In the U.S. these laws and regulations include the federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic an Act, or HITECH, and their implementing regulations, which are collectively referred to as "HIPAA". HIPAA establishes a set of basic national privacy and security standards for the protection of PHI, by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services, which could include Carebook. In addition to requiring companies to develop and maintain policies and procedures with respect to PHI, HIPAA requires that patients be notified of any unauthorized acquisition, access, use or disclosure of their unsecured PHI that compromises the privacy or security of such information, with certain exceptions related to unintentional or inadvertent use or disclosure by employees or authorized individuals.

In the European Union, these laws and regulations include the General Data Protection Regulation ("GDPR") which took effect May 25, 2018. The GDPR introduced a number of new obligations for subject companies including, for example, expanded disclosures about how personal data is to be used, new mechanisms for obtaining consent from

data subjects, new controls for data subjects with respect to their personal data, limitations on retention of personal data and mandatory data breach notifications. Additionally, the GDPR places companies under new obligations relating to data transfers and the security of the personal data they possess.

Given the breadth of PIPEDA, HIPAA, GDPR, and other similar privacy legislation, there can be no assurance that the measures Carebook has taken for the purposes of compliance with such regulations will be successful in preventing a breach of PIPEDA, HIPAA, GDPR, or other similar legislations. In addition, government regulatory bodies, privacy advocacy groups, the technology industry and other industries may consider new or different self-regulatory standards that may place additional burdens directly on Carebook and/or its customers, thus indirectly affecting Carebook. Carebook's products are expected to be capable of use by its customers in compliance with such laws and regulations. The functional and operational requirements and costs of compliance with such privacy laws and regulations may adversely impact Carebook's business, and failure to enable its products to comply with such laws could lead to significant fines and penalties imposed by regulators, as well as claims by the customers of third parties. Additionally, all of these domestic and international legislative and regulatory initiatives could adversely affect Carebook's and/or its customers' ability or desire to collect, use, process and store certain information, which could reduce demand for Carebook's products.

Carebook relies, in part, on third party compliance with privacy legislation and could be subject to liability as a result of any breaches by such third parties.

The digital health and telehealth market is immature and volatile, and its future development is uncertain.

The digital health and telehealth market is relatively new and unproven, and it is uncertain whether it will achieve and sustain high levels of demand, consumer acceptance and market adoption. Carebook's success will depend to a substantial extent on the willingness of its customers to use, and to increase the frequency and extent of their utilization of, Carebook's solutions, as well as on its ability to demonstrate the value of digital health and telehealth and its services to insurance providers to employers, health plans, government agencies, pharmacies and other purchasers of healthcare for beneficiaries. Negative publicity concerning the digital health and telehealth market as a whole could limit market acceptance of Carebook's products and services. Similarly, individual and healthcare industry concerns or negative publicity regarding patient confidentiality and privacy in the context of digital health and telehealth could limit market acceptance of Carebook's healthcare services. If any of these events occurs, it could have a material adverse effect on Carebook's business, financial condition or results of operations.

Carebook's success is dependent on certain strategic partnerships.

To grow its business, Carebook anticipates that it will continue to depend on relationships with third parties, such as pharmacies, insurance companies, hospitals, governments and technology providers. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. Carebook's competitors may be effective in providing incentives to third parties to favour their products or services over Carebook's. In addition, acquisitions of Carebook's partners by its competitors, and certain exclusivity agreements granted to Carebook's anchor customers, could result in a decrease in the number of Carebook's current and potential customers and users, as its partners may no longer facilitate the adoption of its applications by potential customers and users. If Carebook is unsuccessful in establishing and maintaining its relationships with third parties, or if these third parties are unable or unwilling to provide services to Carebook, its ability to compete in the marketplace or to grow its revenue could be impaired, and its results of operations may suffer. Even if Carebook is successful, it cannot be assured that these relationships will result in increased customer and user adoption and continued use of its products and services or increased revenue.

Carebook may experience information security breaches and disruptions or other performance problems with its information technology systems.

Carebook's use of technology is critical in its continued operations, and companies are generally increasingly subject to a wide variety of attacks on their networks and systems on an ongoing basis. Despite Carebook's efforts to create security barriers to such threats, it is virtually impossible for Carebook to entirely mitigate these risks, and

Carebook is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. The security measures Carebook has undertaken to minimize cyber-attacks, security breaches and/or technological malfunctions may not function as expected or may not offer sufficient protection. Successful cyber-attacks, security breaches and/or technological malfunctions affecting Carebook or its products or services can result in, among other things, litigation, governmental audits or investigations, financial penalties or losses, unauthorized release of customer information or confidential information, loss of confidence in Carebook's products and services and significant reputational risk, each of which could adversely affect its business, financial condition and results of operations. To Carebook's knowledge, it has not to date been subject to any cyber-attacks or material technological malfunctions.

Furthermore, third parties to whom Carebook outsources certain functions, or with whom their systems interface, are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack on Carebook, or affecting third party service providers or partners, could harm Carebook's business even if Carebook does not control the service that is attacked.

If Carebook is unable to manage its continued growth successfully, its business and results of operations could suffer.

Carebook's ability to manage growth will require it to continue to build its operational, financial and management controls, contracting relationships, marketing and business development plans and controls and reporting systems and procedures. Carebook's ability to manage its growth will also depend in large part upon a number of factors, including the ability for it to rapidly:

- expand its internal and operational and financial controls significantly so that it can maintain control over operations;
- attract and retain qualified personnel in order to continue to develop reliable and flexible products and provide services that respond to evolving customer needs;
- build a sales team to keep customers and partners informed regarding the technical features issues and key selling points of its products and services;
- develop support capacity for customers as sales increase; and
- build a channel network to create an expanding presence in the evolving marketplace for its products and services.

An inability to achieve any of these objectives could harm its business, financial condition and results of operations.

Carebook may need additional financing in order to make further investments or take advantage of unanticipated opportunities.

In order to execute its anticipated growth strategy, Carebook may require additional equity and/or debt financing to undertake capital expenditures, or undertake business combination transactions or other initiatives. Carebook's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions as well as its business success. There can be no assurance that it will be successful in its efforts to arrange additional financing on satisfactory terms, and the inability to raise additional financing could limit its growth and may have a material adverse effect upon its business, operations, results, financial condition or prospects.

If additional funds are raised by the issuance of shares or other forms of convertible securities from treasury, shareholders may suffer additional dilution. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult to obtain additional capital and to pursue business opportunities. If adequate funds are not available, or are not available on acceptable terms, Carebook may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Carebook's success depends on its ability to continue to innovate and enhance its existing products.

The digital health and telehealth market is characterized by rapid technological change, changing consumer requirements, short product lifecycles and evolving industry standards. To keep pace with such technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, Carebook must enhance and improve existing platforms and services. If Carebook is unable to successfully develop new products or enhance and improve existing products with the next generation of technologies, or if it fails to position and/or price its products to meet market demand, Carebook's business and operating results will be adversely affected. Further, the introduction of new products could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. There is no guarantee that Carebook will possess the resources, either financial or personnel, for the research, design and development of new applications or services, or that it will be able to utilize these resources successfully.

No assurance can be provided that Carebook's products will remain compatible with evolving computer hardware and software platforms and operating environments. In addition, competitive or technological developments and new regulatory requirements may require Carebook to make substantial, unanticipated investments in new products and technologies. If Carebook is required to expend substantial resources to respond to specific technological or product changes, its operating results could be adversely affected. The continuing ability of Carebook to address these risks will depend, to a large extent, on its ability to retain a technically competent research and development staff and to adapt to rapid technological advances in the industry.

Carebook may not remain competitive and increased competition could seriously harm its business.

The industry in which Carebook operates, is highly competitive, evolving and characterized by rapid technological change. Current or future competitors may have longer operating histories, larger customer bases, greater brand recognition and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than Carebook. As a result, Carebook's competitors may be able to develop new products, services or enhancements offerings that better meet the needs of customers and may be able to respond more quickly and effectively than Carebook can to new or changing opportunities and industry standards. In addition, larger competitors may be able to leverage a larger installed customer base and network to adopt more aggressive pricing policies. Such increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on Carebook's business, results of operations and financial condition.

Competition may intensify if one or more of Carebook's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into Carebook's market segment or geographic markets. Carebook also expects to face additional competition from new entrants. It will require a continued high level of investment in research and development, marketing, sales and customer support to remain competitive. If Carebook cannot compete against existing and future competitors, its business, results of operations and financial condition could be materially and adversely affected.

If Carebook fails to attract and retain key personnel, its ability to develop and effectively manage its business could be adversely affected.

Carebook's success depends on the continued efforts and abilities of its executive officers and other key employees. Carebook relies on its leadership team in the areas of health research, digital engagement, engineering, and design. The loss of the services of any of these persons could have a material adverse effect on its business, results of operations and financial condition.

Carebook's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified management, finance, technical, sales and marketing personnel. Any such new hire may require a significant transition period prior to making a meaningful contribution to Carebook. Competition for qualified employees is particularly intense in the technology industry. In addition, job candidates and existing employees often consider the value of equity awards they receive in connection with their employment. If the perceived value of

Carebook's equity awards declines, it may harm its ability to recruit and retain highly skilled employees. Carebook's failure to attract and retain the necessary qualified personnel could adversely affect its business, results of operations, financial condition and future growth.

A significant portion of Carebook's revenue comes from a limited number of customers, the loss of which would have a material adverse effect on its business, financial condition and results of operations.

Historically, Carebook has relied on a limited number of customers for a substantial portion of its total revenue. While Carebook expects to sign additional customers, for the years ended December 31, 2019 and 2018, Carebook's top customer by revenue accounted for approximately 95% its total revenue. A high customer concentration carries risks related to operations, revenue generation and fluctuations, as well as cash flow dependence. The loss of any of Carebook's anchor customers, or a failure of some of them to renew or expand their relationships with Carebook, could have a significant impact on the growth rate of Carebook's revenue and operations. In addition, mergers and acquisitions involving Carebook's customers could lead to cancellation or non-renewal of its contracts with those customers or by the acquiring or combining companies, thereby reducing the number of its existing and potential customers.

Furthermore, Carebook has granted to one of its anchor customers an exclusive right to distribute certain Carebook products and services in Canada. This will limit Carebook's growth in the Canadian digital health and telehealth market, and Carebook's success will be more reliant on the growth of its international business. See "Item 27 – Material Contracts".

Carebook's success depends on its ability to expand in international markets.

Carebook intends to expand its operations to international markets. The possible expansion of Carebook's operations to international markets will require management attention and financial resources to establish additional foreign operations, hire additional personnel, and recruit additional international resellers. Incremental revenue may not be adequate to cover the expenses of international expansion. Carebook's possible expansion into new international markets may take longer than anticipated and could directly impact how quickly we increase product sales into these markets. International markets may take additional time and resources to penetrate successfully. Carebook's possible expansion into international markets will rely on Carebook's ability to secure protection for its intellectual property in such markets. There is also a risk that Carebook will fail to penetrate such international markets. Carebook's success is reliant on its international growth as it has provided the exclusive right to distribute Carebook products and services in Canada to one anchor customer. As such, Carebook's overall growth potential will be material affected should it fail to penetrate new international markets.

International operations may pose certain risks to Carebook's business that may be different from risks associated with domestic operations.

Carebook currently operates exclusively in Canada, but is marketing its products and services internationally. Carebook's international business, if any, will be subject to risks resulting from differing legal and regulatory requirements, political, social and economic conditions and unforeseeable developments in a variety of jurisdictions. Carebook's international operations, if any, will be subject to particular risks in addition to those faced by its domestic operations, including:

- the need to localize and adapt its solutions for specific countries;
- requirements of foreign laws and other governmental controls, including compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and including employment, healthcare, tax, privacy and data protection laws and regulations;
- data privacy laws that require customer data be stored and processed in a designated territory;
- new and different sources of competition and laws and business practices favoring local competitors;
- changes to economic sanctions laws and regulations;
- adverse tax consequences;
- fluctuations in currency exchange rates;
- different pricing environments, longer sales cycles and longer accounts receivable payment cycles and

- collections issues;
- difficulties in coordinating the activities of its geographically dispersed and culturally diverse operations and
- any disruption in the ability of Carebook's personnel to travel to expand international operations and to service international customers.

Carebook's overall success in international markets will depend, in part, on its ability to anticipate and effectively manage these risks and there can be no assurance that it will be able to do so without incurring unexpected costs. If Carebook is not able to manage the risks related to any international operations, its business, financial condition and results of operations may be materially adversely affected.

The acquisition and integration of a new business could have an adverse effect on Carebook's business.

If appropriate opportunities present themselves, Carebook may acquire businesses, technologies, services or products that it believes are strategically advantageous. Carebook currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that Carebook will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions. If a strategy of growth through acquisition is pursued, the failure to successfully manage this strategy could have a material adverse effect on Carebook's business, results of operations and financial condition. Furthermore, if acquired businesses and assets are not successfully integrated, Carebook may not achieve the anticipated benefits or growth opportunities.

Carebook is dependent on certain third party technologies licensed on a non-exclusive basis.

Carebook licenses certain technologies used in its products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay Carebook's ability to roll-out its products while it seeks to implement alternative technology offered by other sources and may require significant unplanned investments. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third party technology licenses relating to one or more of Carebook's products or relating to current or future technologies. There is a risk that Carebook will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

Carebook relies on research grants and its failure to secure such grant monies could affect its financial condition.

Carebook has received research grants in the past. Many research grant applications are not successful and, as such, Carebook cannot predict nor assure investors whether future grant applications will be successful or not. Failure to secure grant money in the future could negatively affect Carebook's financial condition and ability to invest in research and development.

Carebook's use of open source software may pose certain risks to its business.

Carebook's operations depend, in part, on how it makes use of certain open source software products. These open source software products are developed by third parties over whom Carebook has no control. Carebook has no assurance that the open source components do not infringe on the intellectual property rights of others. Carebook could be exposed to infringement claims and liability in connection with the use of these open source software components, and it may be forced to replace these components with internally developed software or software obtained from another supplier, which may increase its expenses. Carebook has conducted no independent investigation to determine whether the sources of the open source software have the rights necessary to permit Carebook to use this software free of claims of infringement by third parties. The developers of open source software may be under no obligation to maintain or update that software, and Carebook may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to Carebook's services. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such

modification, are also made available under the same terms and conditions. As a result, any modifications Carebook makes to such software may be made available to all downstream users of the software, including its competitors. Open source software licenses may require Carebook to make source code for the derivative works available to the public. In the event Carebook inadvertently uses open source software without the correct license form, or a copyright holder of any open source software were to successfully establish in court that Carebook had not complied with the terms of a license for a particular work, Carebook could be required to release the source code of that work to the public. Carebook could also incur costs associated with litigation or other regulatory penalties as a result.

Carebook's success and ability to compete depends on its ability to secure and protect patents, trademarks, and other proprietary rights.

A number of competitors and other third parties have been issued patents and may have filed patent applications or obtain additional patents and proprietary rights for technologies similar to those in Carebook's products. Some of these patents may grant very broad protection to the owners of the patents. Carebook cannot determine with certainty whether any existing third party patents or the issuance of any third party patents would require Carebook to alter its technology, obtain licenses or cease certain activities. Carebook may become subject to claims by third parties alleging its technology infringes their property rights due to the growth of software products in Carebook's target markets, the overlap in functionality of these products and the prevalence of software products. Carebook provides its customers with a qualified indemnity against the infringement of third party intellectual property rights. From time to time, various owners of patents and copyrighted works send Carebook or its customers letters alleging that Carebook's products infringe or might infringe upon the owner's intellectual property rights. Accordingly, where appropriate, Carebook forwards any such allegation or licensing request to outside legal counsel for review. Carebook generally attempts to resolve any such matter by informing the owner of its position concerning non-infringement or invalidity. Even though Carebook attempts to resolve these matters without litigation, it is always possible that the owner of a patent or copyrighted work will bring an action against Carebook.

Carebook relies on a combination of copyright and trade secret laws and contractual provisions to establish and protect its rights in its software and proprietary technology. Carebook generally includes non-disclosure provisions in its employment and customer agreements and historically has restricted access to its software products' source code. Carebook regards its source code as proprietary information, and attempts to protect the source code versions of its products as trade secrets and as unpublished copyrighted works. Despite Carebook's precautions, it may be possible for unauthorized parties to copy or otherwise reverse engineer portions of Carebook's products or otherwise obtain and use information that Carebook regards as proprietary. In connection with certain contractual commitments, Carebook has provided copies of its source code for certain products to third party escrow agents to be released on certain predefined terms, which in turn heightens the risk of unauthorized third parties copying, misappropriating, misusing or reverse engineering Carebook's products. The impact of any unauthorized disclosure of, access to, or replication of Carebook's proprietary information and processes could have a material adverse effect on Carebook's business, results of operations and financial conditions.

Existing copyright and trade secret laws offer only limited protection, and the laws of certain countries in which Carebook's products may be used in the future do not protect its products and intellectual property rights to the same extent as the laws of Canada and the United States. Certain provisions of the license and strategic alliance agreements that may be entered into in the future by Carebook, including provisions protecting against unauthorized use, transfer and disclosure, may be unenforceable under the laws of certain jurisdictions, and Carebook is required to negotiate limits on these provisions from time to time.

Litigation may be necessary to determine the scope, enforceability and validity of third party proprietary rights or to establish Carebook's proprietary rights. Some competitors have substantially greater resources and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than Carebook could. Regardless of their merit, any such claims could: be time consuming; be expensive to defend; divert management's attention and focus away from the business; subject Carebook to significant liabilities; and require Carebook to enter into costly royalty or licensing agreements or to modify or stop using the infringing technology, any of which may adversely affect its revenue, financial condition and results of operations. There can be no assurance that the steps taken by Carebook to protect its proprietary rights will be adequate to deter misappropriation of Carebook's technology or independent development by others of technologies that are

substantially equivalent or superior to its technology.

The requirement of being a public company may strain the Resulting Issuer's resources and divert management's attention.

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation of the jurisdictions in which it is a reporting issuer, the listing requirements of the Exchange and other applicable securities rules and regulations. Compliance with these rules and regulations will increase the Resulting Issuer's legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources. Applicable securities laws will require the Resulting Issuer to, among other things, file certain annual and quarterly reports with respect to its business and results of operations. As a result, management's attention may be diverted from other business concerns, which could harm the Resulting Issuer's business and result of operations. To comply with these requirements, the Resulting Issuer may need to hire more employees in the future or engage outside consultants, which will increase its costs and expenses.

Carebook has a history of cumulative losses and it may never achieve or sustain profitability.

Carebook has incurred significant losses in each period since its inception. Carebook incurred net losses of \$2.9 million and \$2.5 million for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019, Carebook had an accumulated deficit of \$16.9 million. These losses and accumulated deficit reflect the substantial investments Carebook made to develop its technology platform and products. Carebook cannot assure investors that it will achieve profitability in the future or that, if it does become profitable, it will be able to sustain or increase profitability. Carebook's prior losses, combined with its expected future losses, have had and will continue to have an adverse effect on its stockholders' equity and working capital.

Directors and officers may have conflicts of interest.

Certain of the proposed directors and/or officers of the Resulting Issuer, are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Resulting Issuer intends to provide. Situations may arise where the other interest of these directors and officers conflict with, or diverge from, the Resulting Issuer's interest. Certain of such conflicts may be required to be disclosed in accordance with procedures and remedies, as applicable, under corporate law, however, such procedures and remedies may not fully protect the Resulting Issuer. In addition, in conflict of interest situations, the directors and officers of the Resulting Issuer may owe the same duty to another company and will need to balance their competing interest. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to the Resulting Issuer.

The ongoing spread of COVID-19 may negatively impact Carebook's business.

Various measures that have been enacted to combat the spread of COVID-19 since March 2020 have caused material disruption to business globally, resulting in an economic slowdown. Global equity markets have also experienced significant volatility. The development and operation of Carebook's business plan could be adversely disrupted by the ongoing impact of COVID-19. Carebook's business plan is also based in part on expectations regarding market demand for its COVID-19 screening solutions and product offerings, and such demand may not materialize to the levels Carebook expects. While it is difficult to predict the impact of the COVID-19 outbreak on Carebook's business, measures taken by the federal and provincial governments and voluntary measures undertaken by health care professionals, pharmacies, and Carebook, as well as changes in individual behavior, may either adversely impact Carebook's business or fail to generate the market demand that Carebook's management is anticipating. The ultimate extent of the impact of the pandemic on Carebook's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted. The current pandemic and the manner in which it develops could therefore materially and adversely affect Carebook's business, financial condition and results of operations, as well as the successful completion of the RTO.

Disruption in Carebook's activities due to Acts of God may adversely affect Carebook.

Disruptions in the activities of Carebook may be caused by natural disasters, effects of climate change and man-made activities, pandemics, trade disputes and disruptions, war, terrorism, and any other form of economic, health, or political disruptions. Carebook's financial condition is reliant on continued operations, and in circumstances where continued operations are not possible, Carebook is likely to experience a decline in its revenue, and may suffer additional disruptions in the form of lack of access to its workforce, customers, technology, or other assets. The extent of the impact on Carebook will vary with the extent of the disruption and cannot be adequately predicted in advance.

ITEM 22: PROMOTERS

Not applicable.

ITEM 23: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, Carebook and the Resulting Issuer may become involved in various legal, administrative, regulatory and other proceedings, actions, claims and inquiries relating to its business.

Carebook is not aware of any existing or contemplated legal proceedings or regulatory actions material to Carebook to which Carebook is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

Pike is not aware of any existing or contemplated legal proceedings or regulatory actions material to Pike to which Pike is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

ITEM 24: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out in this Listing Application or below, within three years prior to the date of this Listing Application, no director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of Carebook, or any known associates or Affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect Carebook.

In addition, other than as set out in this Listing Application or below, within three years prior to the date of this Listing Application, no director, no person expected to be a director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of the Resulting Issuer, or any known associates or Affiliates of such persons, has any material interest, direct or indirect, in any transaction or in any proposed transaction that is reasonably expected to materially affect the Resulting Issuer.

Carebook is indebted to an Affiliate of MedTech pursuant to a promissory note in the amount of \$1,974,997, which will be repaid with a portion of the Private Placement proceeds. See "Item 6 – Principal Purposes – Indebtedness". Such Affiliate is controlled by two directors of Carebook, Dr. Sheldon Elman and Stuart M. Elman, both of which are expected to be directors of the Resulting Issuer.

Carebook entered into a Reseller Agreement on July 15, 2020 with TriVue Services Inc. ("**TriVue**"). See "Item 27 – Material Contracts". TriVue is controlled by an Affiliate of MedTech, which in turn is controlled by two directors of Carebook, Dr. Sheldon Elman and Stuart M. Elman. Esplanade HealthTech Ventures, an entity controlled by Dr. Sheldon Elman and Stuart M. Elman, is also a minority shareholder of TriVue. Dr. Sheldon Elman and Stuart M. Elman are directors of TriVue and are expected to be directors of the Resulting Issuer.

ITEM 25: INVESTOR RELATIONS ARRANGEMENTS

Carebook has entered into an investor relations services agreement (the “**Investor Relations Services Agreement**”) with LodeRock Advisors Inc. (“**LodeRock**”), pursuant to which LodeRock will provide Carebook (and after completion of the RTO, the Resulting Issuer) with strategic investor relations and capital markets communications services. LodeRock is a group of senior capital markets communications executives who develop and execute communications programs in order to help companies achieve their capital markets objectives. Loderock’s principal of business is Toronto, Ontario. Pursuant to the terms of the Investor Relations Services Agreement, Carebook (after completion of the RTO, the Resulting Issuer) will pay LodeRock a monthly retainer fee of \$12,000. No payment will be made in advance of services being provided. Neither Carebook nor Pike has any prior professional relationship with LodeRock, and as of the date of this Listing Application, LodeRock does not have beneficial ownership of, nor control or direction over, any securities of Carebook or Pike, whether directly or indirectly.

ITEM 26: AUDITORS, TRANSFER AGENT AND REGISTRAR

Since 2016, the auditor of Carebook has been Deloitte LLP, at its office located at La Tour Deloitte, 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montreal, Québec, H3B 0M7. It is proposed that after completion of the RTO, the Resulting Issuer’s auditor be Carebook’s current auditor, Deloitte LLP.

At the Pike Meeting, the appointment of Deloitte LLP as the auditor of the Resulting Issuer was approved, conditional upon the completion of the RTO.

The transfer agent and registrar of the Carebook Common Shares is TSX Trust, at its office located at 100 Adelaide St W #301, Toronto, Ontario, M5H 1S3. It is proposed that after completion of the RTO, the Resulting Issuer’s transfer agent and registrar be Carebook’s current transfer agent and registrar, TSX Trust.

ITEM 27: MATERIAL CONTRACTS

Except for contracts entered into by Carebook in the ordinary course of business, the only current material contracts entered into or currently anticipated to be entered into by Carebook which can reasonably be regarded as presently material are:

- the Business Combination Agreement;
- the Private Placement Agency Agreement;
- the Subscription Receipt Agreement;
- the Warrant Indenture;
- the Investors Rights Agreement;
- the Registration Rights Agreement;
- the Development and Exclusive Distribution Agreement effective as of March 1, 2018 between McKesson Canada Corporation (“**McKesson**”) and Carebook, pursuant to which (i) Carebook agreed to host, support, and maintain certain digital services offered to McKesson, (ii) Carebook agreed to provide certain research and development services relating to such digital services, and (iii) Carebook granted to McKesson an exclusive right to distribute such services in Canada, while reserving to itself all rights to distribute and exploit such products and services outside Canada; and
- the Reseller Agreement made and entered into as of July 15, 2020 between TriVue and Carebook, pursuant to which TriVue granted to Carebook a non-exclusive license to integrate a software development kit available for resale by TriVue into applications, products and services provided by Carebook to its third

party customers and to market, sell, and distribute such applications, products and services and provide support services to persons or entities that purchase such applications, products and services in Canada.

After completion of the RTO, the material agreements listed above will be considered to be the material agreements of the Resulting Issuer.

Copies of all material agreements referred to in this Listing Application may be inspected at the head office of Carebook located at 1400-2045 Stanley Street, Montreal, QC H3A 2V4 during normal business hours until the closing of the RTO and for a period of thirty (30) days thereafter.

ITEM 28: EXPERTS

The independent auditor of Carebook is Deloitte LLP, at its principal office in Montreal, Québec office. Deloitte LLP is independent with respect to Carebook within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

The independent auditor of Pike was Dale Matheson Carr-Hilton Labonte LLP, at its principal office in Vancouver, BC. Dale Matheson Carr-Hilton Labonte LLP is independent with respect to Pike in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

At the Pike Meeting, the appointment of Deloitte LLP as the auditor of the Resulting Issuer was approved, conditional upon the completion of the RTO.

Certain legal matters relating to the RTO will be passed upon Carebook's behalf by Stikeman Elliott LLP. Based on security holdings as of the date hereof, the partners and associates of Stikeman Elliott LLP will hold less than 1% of the Carebook Common Shares, Pike Common Shares or Resulting Issuer Common Shares on the Effective Date. Certain legal matters relating to the RTO will be passed upon Pike's behalf by Bennett Jones LLP. Based on security holdings as of the date hereof, the partners and associates of Bennett Jones LLP will hold less than 1% of the Carebook Common Shares, Pike Common Shares or Resulting Issuer Common Shares on the Effective Date.

None of the aforementioned Persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned partnerships has received or will receive as a result of the Amalgamation a direct or indirect interest in a property of Carebook or any associate or Affiliate of Carebook, nor is currently expected to be elected, appointed or employed as a director, officer or employee of Carebook or any associate or Affiliate of Carebook.

ITEM 29: OTHER MATERIAL FACTS

There are no other material facts in respect of the securities to be listed that are not disclosed in this Listing Application, or the documents incorporated herein by reference and that are necessary in order for this Listing Application to contain full, true and plain disclosure of all material facts relating to the securities to be listed.

ITEM 30: ADDITIONAL INFORMATION - MINING OR OIL AND GAS APPLICANTS

Not applicable.

ITEM 31: EXEMPTIONS

No discretionary exemption from a securities regulator or securities regulatory authority has been applied for or received by Carebook within the 12 months preceding the date of this Listing Application.

ITEM 32: FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS

Included as Appendix C to this Listing Application are the Audited Consolidated Financial Statements for the years ended December 31, 2019 and December 31, 2018 of Carebook and the notes thereto.

Included as Appendix E to this Listing Application are the Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2020 and 2019 of Carebook and the notes thereto.

Included as Appendix F to this Listing Application are the Unaudited Pro Forma Financial Statements of the Resulting Issuer and the notes thereto.

ITEM 33: SIGNIFICANT ACQUISITIONS

Carebook has not completed any significant acquisitions requiring disclosure under this Item 33.

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ITEM 34: CERTIFICATES

34.1 Certificate of Carebook Technologies Inc.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated September 28, 2020.

(signed) Pascale Audette

Pascale Audette
Chief Executive Officer

(signed) Jeffrey Kadanoff

Jeffrey Kadanoff
Interim Chief Financial Officer

On Behalf of the Board of Directors of Carebook Technologies Inc.

(signed) Dr. Sheldon Elman

Dr. Sheldon Elman
Executive Chairman and Director

(signed) Stuart M. Elman

Stuart M. Elman
Director

34.2 Certificate of Sponsor

Not applicable.

34.3 Acknowledgement – Personal Information

“Personal Information” means any information about an identifiable individual.

Carebook hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix A to this Listing Application.

Dated September 28, 2020.

(signed) Dr. Sheldon Elman

Dr. Sheldon Elman
Executive Chairman and Director

APPENDIX A
FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the “Exchange”) collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals’ involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange’s website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third-party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

APPENDIX B
Carebook Technologies Inc. Management's Discussion and Analysis
for the fiscal year ended December 31, 2019

See attached.

8. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("**MD&A**") is designed to provide the reader with a greater understanding of the financial performance of Carebook Technologies Inc. ("**Carebook**", the "**Company**", "**us**" and "**our**"), its business strategy and how well it manages risk and capital resources. This MD&A, prepared as of September 16, 2020, is intended to improve the interpretation of the Company's 2019 audited financial statements (the "**Financial Statements**"), and should therefore be read in conjunction with said document and its accompanying notes. The information within this MD&A contains forward-looking statements and assumptions and should be read together with the text in the section "*Cautionary Statement Regarding Forward-Looking Statements*" below.

The Company's Financial Statements and its 2019 audited financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All financial information included in this MD&A is presented in Canadian dollars, except share and per share amounts, or unless otherwise indicated.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the growth, results of operations, performance and business prospects and opportunities of Carebook. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions. As such, undue reliance should not be placed on such forward-looking statements.

The assumptions and important risk factors made in this MD&A that may affect these expectations include, but are not limited to, the factors described particularly in the sections "*Risks and Uncertainties*" and "*Outlook*", as well as those discussed in greater detail under the heading "*Item 21 – Risk Factors*" of the Company's listing application of which this MD&A is appended. Such statements include, but are not limited to, assumptions about: competitive environment; operating risks; the Company's management and employees; capital investment by the Company's customers; customer project implementations; liquidity; current global financial conditions; implementation of the Company's commercial strategic plan; credit; potential product liabilities and other lawsuits to which the Company may be subject; additional financing and sources; development of new products; intellectual property and other proprietary rights; acquisition and expansion; foreign currency; interest rates; technology and regulatory changes; internal information technology infrastructure and applications; cyber security; and COVID-19.

The forward-looking statements herein reflect the Company's expectations as at September 16, 2020, when the Company's Board of Directors approved this document, and are subject to

change after this date. The Company undertakes no obligation to update publicly any forward-looking information whether as a result of new information, future events or otherwise other than as required by applicable law.

COMPANY OVERVIEW

Core Business

Carebook was incorporated under the *Canada Business Corporations Act* on February 12, 2015. The entirety of our revenues for the period covered by this MD&A were generated in Canada, and all of our assets are held in Canada.

The Company provides digital health solutions and virtual care for pharmacies, insurance providers, employers, governments and individuals. Through its digital platform, the Carebook ecosystem model connects and empowers businesses and people on their health journey. To do so, the Company has assembled experts in the fields of health, digital engagement, engineering and design along with advisors from the pharmacy industry.



The Company operates in one single reporting segment. The Company however does identify its end-users and platform capabilities in a series of industry “verticals”. These market verticals are: (1) Pharmacy, (2) Virtual Care, and (3) Insurance.

Each of the three verticals have diversified product offerings, dedicated marketing approaches and tailored features. The primary product offerings by vertical are described as follows:

- ❖ **Pharmacy:** loyalty, medication management and a communication platform for healthcare professionals and patients
- ❖ **Virtual Care:** triage, healthcare management, COVID-19 screening and vitals scanning (2020 development)
- ❖ **Insurance:** remote underwriting, virtual care and personalized health insurance (2020 development)

Strategy and Objectives

As at December 31, 2019, the Company had yet to launch its pharmacy vertical platform. When the platform will be active, Carebook expects measures of sales and growth to be: (i) revenue, (ii) number of customer contracts, and (iii) active users. At this time, specific and detailed definitions and targets will be set in order to budget, forecast and evaluate the performance of these measures.

The following are the immediate operating objectives of the Company:

- ❖ Offer an integrated digital health platform that allows healthcare professionals, patients, employers, governments and consumers to obtain digital health solutions.

- ❖ Develop, grow and expand the platform capabilities of the newly-entered insurance vertical.
- ❖ Successfully launch its virtual care platform to Canadian and international customers in 2020.
- ❖ Complete a subsequent successful launch to international pharmacy customers, targeting mid and large-sized chains with both pharmacy and core retail businesses.

Creating Value: Resources and Relationships

To develop its Pharmacy vertical, in 2018 Carebook partnered with Rexall Pharmacy Group Ltd, the operating arm of Rexall Health retail pharmacies of McKesson Canada (“**McKesson**”). Rexall Health is Canada’s second largest pharmacy chain. This relationship has led to establishing the critical customer-facing expertise for the development a leading pharmacy management, loyalty and engagement product.

Key differentiators to Carebook’s product revolve around its ecosystem model. It harnesses digital innovation by using a Software-as-a-Service (“**SaaS**”) licensing model to: i) connect pharmacies, clinics and employers to patients and consumers, ii) support revenue streams from multiple features that are built in a modular fashion, and iii) operate at little or no costs to consumers while providing maximum value to personal health and well-being. This is further coupled with the formation of powerful partnerships, such as that of Rexall Health. The product also integrates modern technological concepts such as gamification, engagement (through loyalty offers and action centers) and eventually, artificial intelligence capabilities.

Personnel and technology are critical to the ultimate success of the Company. The majority of the Company’s staff, including the finance, business development, client and consumer health, and operations work out of leased office space in Montreal. The technology platform is maintained and upgraded by Carebook’s product and technology team at the same office space. This team consists primarily of software developers having specialized technical skills and the knowledge required to develop and maintain the digital health platform. The marketing, privacy, security, and compliance employees are located in British Columbia.

EXECUTIVE SUMMARY

Operating Highlights

The Company’s operating highlights reflect the following major items by year:

2019

- ❖ The Company expanded its product and business development team in preparation for global pharmacy outreach.

As at December 31, 2019, and for the third consecutive year, the Company posted a working capital deficit, resulting in a total accumulated deficit of \$16.3 million as at year-end. The Company has incurred significant costs related to the development of its technology, and expects to incur further losses in the development of its business in the near-term, and, given

the funds required for its monthly burn rate, the Company's working capital may be insufficient to meet its obligations.

The going concern expectation is based on certain assumptions and estimates such as the ability of the Company to successfully complete the development of its product in the pharmacy vertical, generate anticipated revenues from current and prospective customers, meet general and administrative expense requirements, and its ability to raise capital equity issuances or obtain debt financing. During 2018, the Company signed a five-year software development contract; however, licensing and other revenue streams are still being developed, and there is no guarantee future revenue will generate sufficient income to offset operating expenses.

2020

- ❖ The product and business development team are preparing to launch new verticals for both the insurance industry and vital signs monitoring.

During the first half of the year, the Company received confirmation of certain approved financing and grants. This includes \$215,000 (\$200,000 loan and \$15,000 grant) received from PME MTL Centre-Ville, wage subsidies totaling \$414,950 received from National Research Council of Canada's Industrial Research Assistance Program as indicated below, and a grant of up to \$71,250, less administrative charge of \$7,500, plus taxes from a Quebec nonprofit organization that the company expects to receive in the second half of 2020.

Beginning in the first quarter of 2020, a pandemic caused by the spread of a novel strain of coronavirus, COVID-19, has resulted in a general global economic slowdown. Although the Company's existing revenue has not been impacted, new sales activities, business development and global expansion initiatives have been slowed. The Company continues to actively pursue potential clients through various alternative means. Even with the rapidly emerging economic disruptions and impacts from COVID-19, the development of the Company's digital platform has continued as planned with personnel providing services from non-office-based locations.

Since June 1, 2020, as indicated in the above paragraph, the Company has received approximately \$414,950 in payroll reimbursements under the Industrial Research Assistance Program of the National Research Council of Canada, which serves to compensate small and medium size start-up companies to access COVID-19 support funds that are otherwise unavailable.

- ❖ On May 1, 2020 Carebook launched the Rexall Be Well Pharmacy app in Canada on iOS, Android and web-based.
- ❖ On August 7, 2020, the Company and Pike Mountain Minerals Inc. ("**Pike**") entered into a business combination agreement (the "**Business Combination Agreement**"), setting out the terms of a reverse takeover of Pike by Carebook (the "**Transaction**"). Pursuant to the Business Combination Agreement, the parties will complete a business combination involving a "three-cornered" amalgamation of the Company with a wholly-owned subsidiary of Pike that will have the effect of Pike acquiring all of the issued and outstanding common shares in the

capital of the Company in exchange for securities in the capital of Pike, and resulting in the reverse takeover of Pike by the Company. Upon closing of the Transaction, the resulting issuer will be renamed "Carebook Technologies Inc." or such other name to be designated by the Company (the "**Resulting Issuer**"), and its shares will be listed on the TSX Venture Exchange.

- ❖ Concurrent with the execution of the Business Combination Agreement, the Company secured private placement financings for aggregate gross proceeds of \$18,330,000 comprised of (i) the closing on August 7, 2020 of a private placement offering of subscription receipts of the Company for aggregate gross proceeds of \$17,330,000, and (ii) the entering into of subscription agreements with certain members of its board of directors and management team who have agreed to acquire units of the Company prior to closing of the Transaction for aggregate gross proceeds of an additional \$1,000,000 (the "**Private Placement**").
- ❖ It is expected that approximately \$5,330,000 out of the gross proceeds of the Private Placement will be used to redeem certain shares held by the Company's existing shareholders with the balance of the net proceeds to be used by the Resulting Issuer to (i) finance sales and marketing efforts and for general corporate purposes and working capital, (ii) repay certain indebtedness, and (iii) pay certain fees and expenses incurred in connection with the listing of the Resulting Issuer's common shares on the TSXV.

FINANCIAL PERFORMANCE ANALYSIS

Selected Annual Financial Information

The selected annual financial information presented in the table below has been derived from the Company's 2019 Financial Statements prepared in accordance with IFRS for each of the two most recently completed financial years.

	Years Ended December 31,		\$ Change	% Change
	2019	2018		
Revenue	\$ 4,321,777	\$ 3,425,297	\$ 896,480	26.2%
Expenses	7,435,692	5,961,401	1,474,291	24.7%
Total comprehensive loss	\$ (3,113,915)	\$ (2,536,104)	\$ (577,811)	22.8%
Basic and diluted loss per share	\$ (0.25)	\$ (0.21)	\$ (0.04)	19.0%
Weighted average number of basic and diluted common shares	\$ 12,335,291	\$ 12,244,543		

	As at December 31,		\$ Change	% Change
	2019	2018		
Total assets	\$ 5,322,913	\$ 6,082,085	\$ (759,172)	-12.5%
Total liabilities	8,304,524	7,052,923	1,251,601	17.7%

Revenue analysis

Revenue in 2019 was \$4,321,777 compared to \$3,425,297 in 2018. The increase of \$896,480, or 26.2%, is attributed primarily to growth driven by its core pharmacy product within its pharmacy vertical.

Total comprehensive loss analysis

Total comprehensive loss was \$3,113,915 for the year ended December 31, 2019, compared to a loss of \$2,536,104 for the same period in 2018, an increase in loss of \$577,811, or 22.8%. The increase in the comprehensive net losses are attributed primarily to the loss on the fair market revaluation of the embedded derivative related to the equity conversion option of the convertible debt, and higher employee expenses resulting from the recruitment of additional product team members.

Total assets and liabilities analysis

Total assets as at December 31, 2019 were \$5,322,913, compared to \$6,082,085 as at December 31, 2018, reflecting a decrease of \$759,172. This decrease of 12.5% was largely attributed to natural net asset decreases in intangible assets and property and equipment, whose net book values as at December 31, 2019 decreased by \$650,000 and \$49,497, respectively, over a 12-month period.

Total liabilities increased to \$8,304,524 as at December 31, 2019, from \$7,052,923 as at December 31, 2018, or by \$1,251,601 (+17.7%). The increase was largely attributed to a \$600,000 increase in advances due to related parties, a \$731,561 increase due to the change in fair value of the derivative liability associated with the Company's convertible debt and a \$212,000 increase in

accrued interest, partially offset by a reduction in accounts payable and accrued liabilities of \$312,616.

Statements of Comprehensive Loss

Change in OCI	Years Ended December 31,		\$ Change	% Change
	2019	2018		
Revenue	\$ 4,321,777	\$ 3,425,297	\$ 896,480	26.2%
Expenses				
Labour and employee benefits	4,381,605	3,819,225	562,380	14.7%
Software development costs	410,231	408,441	1,790	0.4%
Marketing	8,020	18,261	(10,241)	-56.1%
Rent	117,187	40,217	76,970	191.4%
Professional fees	180,071	165,565	14,506	8.8%
General and administrative	109,952	119,466	(9,514)	-8.0%
Travel, team and business development	165,373	184,060	(18,687)	-10.2%
Revenue share expense	35,873	28,997	6,876	23.7%
Loss (gain) on foreign exchange	30	(2,927)	2,957	-101.0%
Depreciation	139,574	111,727	27,847	24.9%
Amortization of intangible assets	650,000	650,000	-	0.0%
Loss (gain) on embedded derivative	731,561	(39,512)	771,073	-1951.5%
Finance costs	506,215	457,881	48,334	10.6%
Total expenses	7,435,692	5,961,401	1,474,291	24.7%
Net loss	(3,113,915)	(2,536,104)	(577,811)	22.8%

Revenue analysis

Revenue for the year ended December 31, 2019 was \$4,321,777, compared to \$3,425,297 for the year ended December 31, 2018, an increase of \$896,480 or 26.2%. Virtually all the revenue in 2019 (and 2018) was attributed to the pharmacy vertical and the development of the pharmacy application.

Expense analysis

Total expenses for the year ended December 31, 2019 were \$7,435,692, compared to \$5,961,401 for the year ended December 31, 2018. The increase of \$1,474,291, or 24.7%, was primarily due to a loss on embedded derivatives, increased labour and employee benefits expense, and higher rent expense.

The embedded derivative had a loss of \$731,561 in 2019, compared to a gain of \$39,512 in 2018, resulting in a year-over-year increased loss of \$771,073. This loss resulted from the change in fair value of the embedded derivative associated with the conversion options on the Company's convertible debt.

Labour and employee benefits increased by \$562,380, or 14.7%, to \$4,381,605 in 2019, compared to the prior year, primarily due to increased employee headcount, specifically technology developers. The total number of full-time and part-time employees as at December 31, 2019 was 34 and 7, respectively, compared to 28 and 4 as at December 31, 2018.

Rent expense increased to \$117,187 in 2019, from \$40,217 in 2018 due to an expansion of the rented office space that took place in 2018. Furthermore, the expense for 2018 was lower than for 2019 due to a non-recurring ten-month rent-free period in 2018.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Analysis

	Years Ended December 31,		\$ Change	% Change
	2019	2018		
Cash flows generated from (used for):				
Operating activities	\$ (1,587,734)	\$ (932,693)	\$ (655,041)	70.2%
Investing activities	(48,537)	(472,320)	423,783	-89.7%
Financing activities	1,662,821	1,446,426	216,395	15.0%
Net increase in cash and cash equivalents	26,550	41,413	(14,863)	-35.9%
Cash and cash equivalents—beginning of year	90,285	48,872	41,413	84.7%
Cash and cash equivalents—end of year	\$ 116,835	\$ 90,285	\$ 26,550	29.4%

Operating activities

Net cash used for operating activities totaled \$1,587,734 for 2019, compared to \$932,693 for 2018, an increase of \$655,041, or 70.2%.

Net cash used for operating activities before net change in non-cash working capital items totaled \$1,319,803 in 2019, compared with \$1,556,507 in 2018. The 2019 cash usage is due to the net loss, partially offset by certain major items that did not have an impact on the Company's operating cash flows, such as the amortization of intangible assets and the loss on embedded derivative. The decreased usage between 2018 and 2019 results from higher positive adjustments from non-cash operating items, primarily the loss on embedded derivative compared to a gain in 2018 and higher interest expense, partially offset by a higher net loss in 2019.

Changes in non-cash working capital items used net cash of \$267,931 in 2019, compared to net cash generated of \$623,814 in 2018. The change is explained primarily by variances due to timing in accounts payable and accrued liabilities, and contract liabilities.

Investing activities

Net cash used for investing activities was \$48,537 in 2019, compared to \$472,320 for 2018, a decrease of \$423,783, or 89.7%, due to lower purchases of property and equipment. A significant portion of the acquisition of property and equipment in 2018 was related to leasehold improvements.

Financing activities

Net cash generated from financing activities during 2019 was \$1,662,821, compared to \$1,446,426 for 2018, an increase of \$216,395, or 15.0%. Cash was generated through borrowing from related parties and the issuance of shares.

Contractual Obligations

In the normal course of business, the Company has various contractual obligations. The following table provides a summary of Carebook's future contractual commitments specifically related to short-term borrowings and long-term debt repayments:

	Payments due by period as of December 31, 2019			
	Less than 1 year	2 - 3 years	4 - 5 years	After 5 years
Contractual obligations	\$ 104,210	\$ 208,420	\$ 217,104	\$ 407,645

The contractual obligations above relate to the contractual payments due under the Company's lease arrangements associated with its office space.

Capital Resources

	As at December 31,		\$ Change	% Change
	2019	2018		
Deficiency	\$ (2,981,611)	\$ (970,838)	\$ (2,010,773)	207.1%
Total debt	\$ 6,521,132	\$ 5,688,476	\$ 832,656	14.6%

Sources of funding

The Company has financed its development operations and met its capital requirements primarily through revenue from customers, debt financing and equity investments, the details of which are as follows:

Sources of funding	2019	2018
Cash and cash equivalents (as at December 31)	<u>\$ 116,835</u>	<u>\$ 90,285</u>
Other sources:		
Debt financing (years ended December 31)	600,000	2,500,000
Equity investments (years ended December 31)	1,103,142	-
Total other sources	<u>\$ 1,703,142</u>	<u>\$ 2,500,000</u>

Capital expenditures

Capital expenditures are financed from cash, funds from operations, issuance of share capital, grants & subsidies and debt. Carebook expects that capital expenditures related to the development of its technology and service offerings, recruitment of personnel and expansion of office premises will increase in the next twelve months, as compared to those in 2019, as the Company will continue to invest in the ongoing development of and enhancements to its digital platform, including entering the insurance and virtual care verticals.

	2019	2018	\$ Change	% Change
Leasehold improvements	\$ -	\$ 347,543	\$ (347,543)	-100.0%
Furniture and equipment	6,478	90,111	(83,633)	-92.8%
Computer hardware	42,059	34,666	7,393	21.3%
Total	<u>\$ 48,537</u>	<u>\$ 472,320</u>	<u>\$ (423,783)</u>	-89.7%

Transaction principal purpose

In addition to the above current sources of funding, the Company anticipates that, as a result of the Transaction, it will have approximately a combined \$6,000,000 in available funds, and coupled with its cash and cash equivalents is expected to have sufficient capital resources to meet its planned growth, to fund development activities and meet all of its working capital requirements

and planned capital expenditures for the next twelve months. Furthermore, having repaid a certain portion of its current indebtedness with funds generated from the Transaction, expects, if necessary, to have the ability to raise any additional capital requirements through new debt and/or equity sources.

The following table summarizes the expenditures anticipated by Carebook required to achieve its business objectives during the 12 months following the date hereof:

Principal Purpose	Estimated amount
Secondary Portion	\$ 5,330,000
Fees and expenses payable in connection with the Listing ⁽¹⁾	2,000,000
Repayment of indebtedness	4,500,000
Sales and marketing efforts	2,000,000
Working capital and general corporate purposes	3,670,000
Total	\$ 17,500,000

(1) Includes accounting, TSXV and legal fees.

STATEMENTS OF FINANCIAL POSITION

Working Capital

	As at December 31,		\$ Change	% Change
	2019	2018		
Current assets	\$ 178,652	\$ 196,787	\$ (18,135)	-9.2%
Current liabilities	4,067,616	3,776,032	291,584	7.7%
Working capital deficit	\$ (3,888,964)	\$ (3,579,245)	\$ (309,719)	8.7%

As at December 31, 2019, the Company had a working capital deficit of \$3,888,964 compared to a working capital deficit of \$3,579,245 as at December 31, 2018. The higher working capital requirements of approximately \$309,719 was primarily due to costs related to the development of its technology and service offerings, and the recruitment of additional personnel.

Share Capital

The authorized share capital of Carebook consists of an unlimited number of Carebook Shares. As of the date hereof, there are 12,746,733 common shares and 2,250,000 preferred shares issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date hereof, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

RELATED PARTY TRANSACTIONS

The Company discloses information on its related party transactions, as defined in IAS 24, Related party disclosures, in Note 18 to its 2019 Financial Statements.

Related party transactions that took place during 2019 were limited to changes to the balances of “*Advances to a shareholder*” and “*Advances due to related parties*”, all of which were concluded in the normal course of its operations.

From time to time, the Company receives short-term advances from certain related parties to cover short-term liquidity needs. As at December 31, 2019 and 2018, advances due to related parties totaled \$849,997 and \$249,997, respectively. Advances due to related parties are classified as and measured at amortized cost using the effective interest method.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company’s Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period; however, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in detail in Note 2 to the Financial Statements.

CHANGES IN ACCOUNTING POLICIES

Please refer to Note 2 of the Company's 2019 Audited Financial Statements for more information regarding the Company's significant accounting policies and changes.

In January 2016, IFRS 16 - *Leases* was issued to replace IAS 17 - *Leases* as the standard for recognizing, measuring, presenting and disclosing leases. The standard provides a single lessee accounting model requiring the recognition of assets and liabilities for all leases unless the lease term is twelve months or less or if the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019. The Company adopted IFRS 16 on January 1, 2018. Refer to the audited annual financial statements and accompanying notes for details on the impact of adoption.

The Financial Statements have been prepared by management in accordance with IFRS. These are the first set of annual financial statements prepared under IFRS and IFRS 1 - *First-Time Adoption* has been applied. The Company previously reported its financial information in accordance with Canadian accounting standards for private enterprises (“**ASPE**”). Refer Note 19 - IFRS 1 Transition for the reconciliations on adoption of IFRS.

The Company has adopted IFRS 9 - *Financial instruments* and IFRS 15 - *Revenue from Contracts with Customers* issued by the International Accounting Standards Board. The applications of these amendments were incorporated in the Financial Statements.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties in carrying out its activities. Carebook has measures in place to identify, monitor and, to a certain extent, mitigate such risks and uncertainties. Such measures include, among others, creating and marketing a viable software product for sale and distribution, the work performed by the Board and management levels, as well as the enforcement of numerous policies and procedures. Additional risks not currently known or that the Company currently believes are immaterial may also impair its business, results of operations, financial condition and liquidity.

Risks related to the Company's Operations

Dependence on third parties

The Company's contract with McKesson is a material contract to the Company. As such, the Company may place additional reliance on McKesson than it would on other clients. If for any reason McKesson experiences financial difficulties or finds it difficult to obtain sufficient financing to fund its own operations, there is no assurance that they will be able to continue the partnership with Carebook's business. These risks may be intensified during an economic downturn.

Information systems and data

The integrity, reliability and security of information in all forms are critical to the Company's daily and strategic operations. Despite the Company's efforts to create security barriers, the Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks, security breaches and/or technological malfunctions affecting the Company or its products or services can result in, among other things, litigation, governmental audits or investigations, financial penalties or losses, unauthorized release of customer information or confidential information, loss of confidence in the Company's products and services and significant reputational risk, each of which could adversely affect its business, financial condition and results of operations.

Qualified and key personnel

The success of the Company is dependent on its workforce and its ability to recruit and retain key personnel in a competitive work environment. The experience and expertise of the Company's management team and its skilled product development and technical personnel are critical to successfully executing its business strategy.

Risks related to the Company's liquidity, capital resources and financial position

Market risk

Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments held by the Company and that are subject to variable rates will fluctuate, or the cash flows associated with such instruments will be impacted due to changes in market interest rates. The Company's interest rate risk arises principally from its amended term note with National Bank of Canada at an annual

interest rate of the prime rate plus 3.25% with a principal amount of \$2,500,000 maturing on December 31, 2020 (the “**Term Note**”). Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash and cash equivalents deposits (including short-term investments) earning interest at variable interest rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company is exposed to changes in interest rates on the Company’s outstanding indebtedness under the Term Note. A hypothetical 100 basis point increase in interest rates from December 31, 2019 and 2018 levels would have had an impact on interest expense of \$25,658 and \$33,821, respectively. The Company does not currently intend to enter into floating-to-fixed interest rate swaps to hedge floating interest rate exposure under the Term Note.

Foreign exchange risk

The Company has minimal risk attributable to certain U.S. dollar-denominated transactions pertaining to purchases of products and services. The Company manages its exposure to currency fluctuations by monitoring its level of cash in foreign currencies. Management did not hedge these exposures as at December 31, 2019.

Credit risk

Credit risk pertains to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk with financial institutions and other parties as a result of cash-in-bank and customer trade receivables arising from the Company’s operating activities. The maximum exposure to credit risk at the reporting date was the carrying value of each class of financial asset as described in Note 15 of the 2019 Financial Statements. The Company did not hold any collateral as security.

Liquidity risk

The capital structure of the Company included shareholders’ equity (deficit) and borrowings. Management’s overriding objectives when managing capital are to have sufficient liquidity to meet its liabilities when due, safeguard the business as a going concern, and create value through market growth and future returns. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. The Company is not subject to any externally imposed capital requirements.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect the Company’s forward-looking statements. The Company’s business is subject to a number of risks and uncertainties. Readers are encouraged to review and carefully consider the risk factors discussed under the heading “*Item 21 – Risk Factors*” of the Company’s listing application of which this MD&A is appended.

OUTLOOK

- ❖ The digital health market is growing rapidly, driven by a comprehensive transformation in how patient care is being delivered, and an evolution in the application of digital solutions to a broader set of customers and industries. In particular, the pharmacy and insurance

industries have a need for innovation in the area of digital health making them ripe for disruption and new entrants. Carebook leverages its medical and engagement expertise across a core technology platform in order to address these opportunities. The Company began by focusing on the pharmacy vertical by securing an anchor customer, and have expanded that platform into the insurance and virtual care markets. The Company allows its clients to create a digital presence and stay relevant with their customers.

- ❖ The company has remained operationally stable during the COVID-19 pandemic, with minimal impact on current revenue and employees. The Company's principal customer, which is in the pharmacy vertical, has not been broadly affected by COVID-19 in a manner that would negatively impact the Company. The pandemic caused some disruption to the Company's business development and global expansion initiatives for the pharmacy vertical. Revenue expectations in the insurance vertical have not been affected by COVID-19. The pandemic has also prompted the development of the Company's third vertical, virtual care. Therefore, notwithstanding any additional changes in the general economic environment due to the pandemic, the overall financial impact on the Company is expected to be a positive one. While the Company cannot predict with certainty the effect and ongoing spread of COVID-19, management does not expect it will impact the Company's ability to meet financial and other reporting disclosure requirements on a timely basis.
- ❖ Carebook is currently building a growing pipeline of opportunities as it relates to the pharmacy, insurance, and virtual care verticals. The Company's approach for the pharmacy and insurance verticals is similar. Its focus has been to enter each market with a Canadian anchor client and develop a tailored digital platform by vertical, which can then be rebranded and offered to similar clients in other countries. Growth opportunities are identified through global market research and customer segmentation, and both rely on a SaaS business model plus development fees for customization and integration. The Company's approach to the virtual care segment relies on integration of a third-party technology. The Company pursues growth opportunities by identifying different markets through product diversification such as patient triage, patient monitoring and back-to-work solutions. The virtual care vertical revenue model relies on SaaS plus customization fees. There remains some uncertainty regarding the speed at which these verticals and new customers can be integrated and launched, which could potentially delay the recognition of future revenues, thereby impacting the financial performance of Carebook.

APPENDIX C
Audited Consolidated Financial Statements
for the years ended December 31, 2019 and December 31, 2018
of Carebook Technologies Inc.

See attached.

DECEMBER 31, 2019

CAREBOOK TECHNOLOGIES INC.

ANNUAL FINANCIAL STATEMENTS

CAREBOOK TECHNOLOGIES INC.

**AUDITED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019 AND 2018 AND JANUARY 1, 2018
AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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September 16, 2020

To the Shareholders of Carebook Technologies Inc.

Independent Auditor's Report

Opinion

We have audited the financial statements of Carebook Technologies Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2019, 2018 and January 1, 2018, and the statements of loss and comprehensive loss, changes in shareholder's equity (deficit) and cash flows for the years ended December 31, 2019 and 2018, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, December 31, 2018 and January 1, 2018, and its financial performance and its cash flows for the years ended December 31, 2019 and 2018 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statements, which indicates that as at December 31, 2019 the Company had a working capital deficit of \$3.9 million and has incurred significant operating losses and negative cash flow from operations, resulting in an accumulated deficit of \$16.1 million. These events or conditions, along with other matters as set forth in Note 2.2, indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

/s/ Deloitte LLP¹

Montreal, Quebec
September 16, 2020

¹ CPA auditor, CA, public accountancy permit No. A118581

CAREBOOK TECHNOLOGIES INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

		Years Ended December 31,	
	Note	2019	2018
Revenue	3	\$ 4,321,777	\$ 3,425,297
Expenses			
Labour and employee benefits	4	4,381,605	3,819,225
Software development costs		410,231	408,441
Marketing		8,020	18,261
Rent		117,187	40,217
Professional fees		180,071	165,565
General and administrative		109,952	119,466
Travel, team and business development		165,373	184,060
Revenue share expense		35,873	28,997
Loss (gain) on foreign exchange		30	(2,927)
Depreciation		139,574	111,727
Amortization of intangible assets		650,000	650,000
Loss from operations		(1,876,139)	(2,117,735)
Loss (gain) on embedded derivative	15	731,561	(39,512)
Finance costs	2	506,215	457,881
Net loss	5	\$ (3,113,915)	\$ (2,536,104)
Total comprehensive loss		\$ (3,113,915)	\$ (2,536,104)
Basic and diluted loss per share	2	\$ (0.25)	\$ (0.21)
Weighted average number of basic and diluted common shares	2	12,335,291	12,244,543

These financial statements were authorized for issue by the Board of Directors on September 16, 2020. Approved on behalf of the Board by:

/ (signed) Dr Sheldon Elman
Director

/ (signed) Stuart M. Elman
Director

CAREBOOK TECHNOLOGIES INC.
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019 AND 2018 AND JANUARY 1, 2018

	Note	December 31, 2019	December 31, 2018	January 1, 2018
Assets				
Current assets				
Cash and cash equivalents	6	\$ 116,835	\$ 90,285	\$ 48,872
Trade and other receivables	7	3,519	91,317	166,863
Prepaid expenses		58,298	15,185	15,979
Total current assets		178,652	196,787	231,714
Non-current assets				
Property and equipment, net	8	407,711	457,208	63,729
Right-of-use leased asset	11	356,550	398,090	-
Goodwill		4,370,000	4,370,000	4,370,000
Intangible assets, net	9	-	650,000	1,300,000
Advance to shareholder	18	10,000	10,000	10,000
Total non-current assets		5,144,261	5,885,298	5,743,729
Total assets		\$ 5,322,913	\$ 6,082,085	\$ 5,975,443
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	10	\$ 339,765	\$ 652,381	\$ 438,240
Contract liabilities	3	333,333	333,333	-
Advances due to related parties	18	849,997	249,997	1,491,056
Lease liability	11	44,521	40,321	-
Term note payable	12	2,500,000	2,500,000	2,480,881
Total current liabilities		4,067,616	3,776,032	4,410,177
Non-current liabilities				
Lease liability	11	584,090	628,611	-
Long-term debt	12	2,180,524	2,119,547	-
Accrued interest		362,000	150,000	-
Derivative liability	15	1,110,294	378,733	-
Total non-current liabilities		4,236,908	3,276,891	-
Total liabilities		8,304,524	7,052,923	4,410,177
Shareholders' equity (deficit)				
Share capital	13	8,115,686	7,012,544	7,012,544
Contributed surplus		5,239,602	5,239,602	5,239,602
Accumulated deficit		(16,336,899)	(13,222,984)	(10,686,880)
Total shareholders' (deficit) equity		(2,981,611)	(970,838)	1,565,266
Total liabilities and shareholders' equity		\$ 5,322,913	\$ 6,082,085	\$ 5,975,443

CAREBOOK TECHNOLOGIES INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Note</u>	<u>Share capital</u>	<u>Contributed surplus</u>	<u>Accumulated deficit</u>	<u>Total shareholders' (deficit) equity</u>
At January 1, 2018	<i>13</i>	\$ 7,012,544	\$ 5,239,602	\$ (10,686,880)	\$ 1,565,266
Net loss		-	-	(2,536,104)	(2,536,104)
At December 31, 2018	<i>13</i>	<u>\$ 7,012,544</u>	<u>\$ 5,239,602</u>	<u>\$ (13,222,984)</u>	<u>\$ (970,838)</u>
At January 1, 2019	<i>13</i>	\$ 7,012,544	\$ 5,239,602	\$ (13,222,984)	\$ (970,838)
Net loss		-	-	(3,113,915)	(3,113,915)
Shares issued	<i>13</i>	1,103,142	-	-	1,103,142
At December 31, 2019	<i>13</i>	<u>\$ 8,115,686</u>	<u>\$ 5,239,602</u>	<u>\$ (16,336,899)</u>	<u>\$ (2,981,611)</u>

CAREBOOK TECHNOLOGIES INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

		Years Ended December 31,	
	Note	2019	2018
Cash flows from (used in) operating activities			
Net loss		\$ (3,113,915)	\$ (2,536,104)
Adjustments:			
Depreciation	8	139,574	111,727
Amortization of intangible assets	9	650,000	650,000
Loss (gain) on embedded derivative		731,561	(39,512)
Accretion of long-term debt		60,977	37,792
Accretion of term note payable		-	19,119
Accretion of lease liability		-	50,471
Interest expense		445,238	350,499
Interest paid		(233,238)	(200,499)
Changes in non-cash working capital:			
Trade and other receivables		87,798	75,546
Prepaid expenses		(43,113)	794
Accounts payable and accrued liabilities		(312,616)	214,141
Contract liabilities		-	333,333
Net cash used in operating activities		(1,587,734)	(932,693)
Cash flows used in investing activities			
Purchases of property and equipment		(48,537)	(472,320)
Net cash used in investing activities		(48,537)	(472,320)
Cash flows from (used in) financing activities			
Issuance (repayment) of advances due to related parties		600,000	(1,241,059)
Issuance of shares		1,103,142	-
Issuance of long-term debt	12	-	2,500,000
Payments of principal on lease liability		(40,321)	-
Lease inducements and prepayments, net	11	-	187,485
Net cash from financing activities		1,662,821	1,446,426
Net increase in cash and cash equivalents		26,550	41,413
Cash and cash equivalents—beginning of year		90,285	48,872
Cash and cash equivalents—end of year		\$ 116,835	\$ 90,285

CAREBOOK TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 and 2018

NOTE 1 — General Information

Carebook Technologies Inc. (the “Company” or “Carebook”) was incorporated on February 12, 2015 under the *Canada Business Corporations Act*. The Company has developed and is commercializing a mobile health management system for individuals, their families, pharmacies, employers, and clinics. The Company’s ultimate controlling party is MedTech Investment, L.P. The executive and registered office of the Company is situated at 1400-2045 rue Stanley, Montréal, Québec, Canada, H3A 2V4.

NOTE 2—Summary of Significant Accounting Policies

2.1. Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These are the Company’s first financial statements prepared in accordance with IFRS, and IFRS 1, “*First-time Adoption of International Financial Reporting Standards*” (“IFRS 1”), has been applied.

An explanation of the effect of the transition to IFRS on the Company’s financial statements is provided in NOTE 19 – IFRS 1 Transition.

2.2. Basis of presentation and going concern

Basis of presentation

These financial statements have been prepared by management in accordance with IFRS. The Board of Directors of the Company approved the financial statements for the years ended December 31, 2019 and 2018, and authorized their publication on September 16, 2020. These financial statements have been prepared in accordance with the following significant accounting policies. The Company operates in a single reporting segment. All revenues were generated in Canada during the years ended December 31, 2019 and 2018. All non-current assets are held in Canada.

The Company’s financial position, cash flows, liquidity position, and borrowing facilities are described in the financial statements in NOTE 6 — Cash and Cash Equivalents, NOTE 12 — Borrowings, and NOTE 16 — Risk Management.

Going concern

In accordance with International Accounting Standards (“IAS”) 1, “*Presentation of Financial Statements*” (“IAS 1”), the financial statements are prepared on the assumption that the Company is a going concern and will continue to operate for the foreseeable future. The going-concern basis assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

As at December 31, 2019 and 2018 and January 1, 2018, the Company had a working capital deficit of \$3.9 million, \$3.6 million, and \$4.2 million, respectively. The Company has incurred significant operating losses and negative cash flow from operations, resulting in an accumulated deficit of \$16.3 million as at December 31, 2019. The Company has incurred significant costs related to the development of its technology and service offerings, recruitment of personnel and establishment of a market for the Company’s services. The Company expects to incur further losses in the development of its business in the near-term, and, given the funds required for its monthly burn rate, the Company’s working capital may be insufficient to meet its obligations.

The going concern expectation is based on certain assumptions and estimates such as the ability of the Company to successfully complete the development of its solution, generate revenue from current and prospective customers, meet general and administrative expense requirements, and the ability of the Company to raise capital equity issuances or obtain debt financing. During 2018, the Company signed a five-year software development contract; however, licensing and other revenue streams are still being developed, and there is no guarantee future revenue will generate sufficient income to offset operating expenses.

As described in NOTE 20 – Subsequent Events, a pandemic caused by the spread of a novel strain of coronavirus, COVID-19, has resulted in no negative impact on the Company’s existing revenue. However, the broad economic slowdown due to COVID-19 has impacted the Company’s business development and global expansion initiatives. While the Company remains in active conversations with potential clients globally, the travel bans, cancelled trade shows/conferences, and other impacts of COVID-19 have slowed the Company’s sales activities. Additionally, potential clients have lengthened their sales cycle, as they focus on dealing with COVID-19.

CAREBOOK TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 and 2018

While the Company has been successful in securing financing in the past as described in NOTE 12 - Borrowings, the raising of additional funds is dependent on several factors outside the Company's control and largely unknown particularly due to the state of the global economy as a result of the COVID-19 pandemic. As such, there can be no assurance that these initiatives will be successful or sufficient. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Furthermore, management received confirmation of certain approved financing and subsidies during the first half of 2020 and continues to evaluate the Company's eligibility with respect to various subsidies recently made available by the Canadian government to businesses, which is expected to provide additional sources of cash flow to the Company in 2020 and 2021.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was determined to be inappropriate. Additionally, these adjustments could be material.

2.3. New standards and interpretations not yet mandatorily applicable

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform

In September 2019, the IASB has amended some of its requirements to address the uncertainty arising from the phasing out of interest-rate benchmarks such as interbank offered rates (IBORS). The amendments issued focused on the accounting effects of uncertainty in the period leading up to the reform. The IASB is also working on the potential consequences to financial reporting of replacing an existing benchmark with an alternative. The amendments impact IFRS 9 Financial instruments, IAS 39 Financial instruments: Recognition and measurement and IFRS 7 Financial instruments: Disclosures. The amendments come into effect for annual periods beginning on or after January 1, 2020 subject to European Union endorsement. The Company has evaluated the impact of this standard and determined that there will be no impact on its financial statements upon adoption.

2.4. Principles governing the preparation of the financial statements

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statement of financial position as at January 1, 2018 for the purposes of the transition to IFRS, unless otherwise indicated.

These financial statements include all of the assets, liabilities, equity, revenues, expenses, and cash flows of Carebook.

Basis of measurement

The financial statements are prepared under the historical cost basis unless otherwise noted in these financial statements.

Cash-generating units

The reporting unit, corresponding to the Company's sole operating site and the lowest level of the Company's internal reporting, has been identified as its cash-generating unit.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated for balance sheet accounts using exchange rates in effect as at each balance sheet date and for revenue and expense accounts using an average exchange rate each month during the year. Non-monetary assets and liabilities are translated at historical exchange rates. Foreign exchange gains or losses that relate to these commercial transactions are included in the statements of loss and comprehensive loss based on the type of transaction. Currently, the Company does not engage in derivative contracts to mitigate its foreign exchange risk.

Revenue recognition

Contracts with the Company's customers generally represent software licenses and related software development.

The Company provides services and products under arrangements that contain various pricing mechanisms. The Company accounts for a contract or a group of contracts when the following criteria are met: the parties to the contract have approved the contract in which their rights, their obligations and the payment terms have been identified, the contract has commercial substance, and the collectability of the consideration is probable.

A contract modification is a change in the scope or price of an existing revenue-generating customer contract. The Company accounts for a contract modification as a separate contract when the scope of the contract increases because of the addition of promised performance obligations and the price of the contract increases by an amount of

CAREBOOK TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 and 2018

consideration that reflects its standalone selling prices. When the contract is not accounted for as a separate contract, the Company recognizes an adjustment to revenue on the existing contract on a cumulative catch-up basis as at the date of the contract modification or, if the remaining goods and services are distinct, the Company recognizes the remaining consideration prospectively.

Revenue is recognized when or as the Company satisfies a performance obligation by transferring a promise of good or service to the customer and are measured at the amount of consideration the Company expects to be entitled to receive, including variable consideration, such as, discounts, volume rebates, service-level penalties, and incentives. Variable consideration is estimated using either the expected value method or most likely amount method and is included only to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur. In making this judgement, management will mostly consider all information available at the time (historical, current, and forecasted), the Company's knowledge of the client or the industry, the type of services to be delivered and the specific contractual terms of each arrangement.

If an arrangement involves the provision of multiple performance obligations, the total arrangement value is allocated to each performance obligation based on its relative stand-alone selling price. When estimating the stand-alone selling price of each performance obligation, the Company—whenever possible—identifies and uses observable prices, which are established using the Company's prices for the same or similar deliverables. When observable prices are not available, the Company estimates stand-alone selling prices based on its best estimate. The best estimate of the stand-alone selling price is the price at which the Company would normally expect to offer the services or products and is established by considering a number of internal and external factors including, but not limited to, geographies, the Company's pricing policies, internal costs, and margins. Additionally, in certain circumstances, the Company may apply the residual approach when estimating the stand-alone price of software license products and development services, for which the Company has not yet established a market price or has not previously sold on a stand-alone basis.

Performance obligations in the Company's contracts generally consist of licensing of software as a service provided to customers and long-term software development activities. Revenue is recognized over time for annual software licenses and development services, as customers simultaneously receive and consume the benefits as the Company performs, the customer controls the service as it is created or enhanced, and the Company has an enforceable right to payment for performance completed to date. For a certain development arrangement, the Company primarily uses budgeted costs, primarily directly-related labour costs or labour hours, to measure the progress towards completion. This method relies on estimates of total expected costs to complete the service, which are compared to costs incurred to date, to arrive at an estimate of the percentage of revenue earned to date. Factors considered in the estimates include: changes in scope of the contracts, delays in reaching milestones, complexities in project delivery, availability and retention of qualified information technology professionals, and/or the ability of the subcontractors to perform their obligation within agreed upon budget and timeframes. Management regularly reviews underlying estimates of total expected costs.

There is not a significant length of time between invoicing and when payment is due; hence, none of the Company's contracts contained terms that would result in the existence of a significant financing component. The Company's standard terms of payment for most customers are typically 30 days after invoicing, while certain development services are paid to the Company in advance of the contracted services.

Amounts received in advance of the performance of services are classified as contract liabilities. Refer to NOTE 3 – Revenue for details on the Company's contract liabilities.

All of the Company's sales are from two service groups (software licenses and software development) and to two customer types (healthcare providers and suppliers) within the same geographic area (Canada). Contract types, contract duration and sales channels are also consistent. Therefore, management believes that disaggregation of revenue by service offerings to customers would provide additional insight into the future recognition of revenue and cash flows. Refer to NOTE 3 – Revenue.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service

CAREBOOK TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 and 2018

and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. At the end of each reporting period, the Company revises its estimate of the number of awards expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the supplier.

Finance costs

Interest expense on short- and long-term financing is recorded at the relevant rates on the various borrowing agreements. The components of finance costs within the statements of loss and comprehensive loss were as follows:

	Years Ended December 31,	
	2019	2018
Finance costs		
Term note payable	\$ 167,500	\$ 220,787
Long-term debt	272,977	187,792
Interest expense on lease liability	63,889	50,471
Other	1,849	(1,169)
Total finance costs	<u>\$ 506,215</u>	<u>\$ 457,881</u>

Income taxes

The Company is subject to income taxes in Canada and certain provinces therein. The Company follows the liability method of accounting for income taxes. Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases. This approach also requires the recognition of deferred income tax assets for operating loss carryforwards and tax credit carryforwards.

The effect on deferred tax assets and liabilities of a change in tax rates and laws is recognized as income tax benefit (expense) in the year when the rate change is substantively enacted. Deferred income tax assets and liabilities are measured using tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and laws that have been enacted or substantively enacted at the date of the statements of financial position. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Investment tax credits

The Company incurs research and development expenditures, which are eligible for investment tax credits. The recorded investment tax credits are based on management's estimates expected to be recovered and are subject to audit by taxation authorities.

Investment tax credits for research and development are reflected as a reduction in the cost of the assets or expenses to which they relate. In 2019, tax credits relating to 2017 were recorded in the amount of \$20,426. The amounts of expected recovery in connection with 2018 and 2019 activities have not been accrued due to uncertainty around amounts expected to be recovered.

Property and equipment

Recognition and measurement

Property and equipment acquired by the Company are recorded at cost, which comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of certain items of property and equipment was determined in accordance with Canadian accounting standards for private enterprises ("ASPE"). The Company elected to apply the optional exemption to use this previous revaluation as deemed cost as at the date of transition of January 1, 2018.

Subsequent to the initial recognition, property and equipment are measured at cost less accumulated depreciation and impairment, if any.

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Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the assets and are recognized within the statements of loss and comprehensive loss.

Subsequent costs

Enhancements and replacements are capitalized as additions to property and equipment only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured with reliability. Ongoing regular maintenance costs related to property and equipment are expensed as incurred.

Depreciation

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

- Leasehold improvements – The lesser of the useful life of the asset or the term of the lease;
- Furniture and office equipment – 5 years; and
- Computer equipment – 3 years.

Intangible assets

Recognition, measurement, and amortization

Certain costs related to intellectual property developed and/or acquired were recognized and recorded at cost. These intangible assets are amortized on a straight-line basis over estimated finite useful lives of three years. Amortization expense for intangible assets are recorded in the statements of loss and comprehensive loss. The cost of acquired intellectual property was determined as part of a previous business combination in accordance with ASPE. The Company elected to apply the optional exemption to use this previous revaluation as deemed cost as at the date of transition of January 1, 2018.

Expenditures related to research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the statements of loss and comprehensive loss as incurred, net of related tax credits.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Costs incurred on development projects are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete and use the intangible asset;
- There is an ability to use the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

These criteria are not all currently met and as such development expenditures have been expensed as incurred, net of related tax credits.

Impairment tests for property and equipment and intangible assets

Property and equipment and finite life intangible assets subject to amortization are reviewed for impairment if there is any indication that the carrying amount of the asset (or cash-generating unit to which it belongs) may not be recoverable. The recoverable amount is based on the higher of fair value less cost of disposal and value-in-use, which is determined using estimates of discounted future net cash flows of the asset or group of assets to which it belongs.

No impairment losses have been recognized in the statements of loss and comprehensive loss.

Goodwill

Recognition and measurement

Goodwill represents the excess of the consideration transferred to the previous owners over the fair value of the net identifiable assets of the acquired businesses. With respect to acquisitions prior to January 1, 2018, goodwill is included on the basis of deemed cost, which represents the amount recorded under previous ASPE.

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Impairment tests for goodwill

Goodwill is measured at cost less accumulated impairment losses. Impairment testing is performed annually or whenever events or circumstances indicate that goodwill might be impaired. The net carrying amount of the cash generating unit is compared to the recoverable amount, which is the higher of the value-in-use and the fair value less cost of disposal. An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

Value-in-use calculations use cash flow projections based on financial budgets approved by management and usually covering a five-year period. Cash flows beyond this period are estimated using a perpetual long-term growth rate for the subsequent years. The value-in-use is the sum of discounted cash flows over the projected period and the terminal value. Discount rates are determined based on the weighted-average cost of capital of the Company.

The fair value represents the price that would be received for the cash-generating unit, in an orderly transaction, from a market participant. This value is estimated on the basis of available and relevant market data or a discounted cash flow model reflecting market participant assumptions.

Any impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to the carrying amount of the other assets of the Company on a pro rata basis.

No impairment losses have been recognized in the statements of loss and comprehensive loss.

Financial instruments

Financial instruments are classified into several categories, as discussed below: amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVPL"). Only loans, receivables, investments in debt instruments and other similar assets can qualify for measurement at amortized cost or FVOCI. The critical issues in these assessments are whether:

- The objective of the entity's business model is to hold assets only to collect cash flows, or to collect cash flows and to sell (the "Business Model Test"), and
- The contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest on the principal amount outstanding (the "SPPI Test").

The Business Model Test may be performed at the portfolio level. If the Business Model Test is met, the designation of the instrument will generally be as amortized cost. If the SPPI test is met (as may be the case with securitization of receivables), then the asset is measured at FVOCI. The unrealized gains and losses, net of applicable income taxes, on financial assets designated as measured at FVOCI are reported in other comprehensive loss. However, interest income earned and realized gains and losses on the sale of financial assets measured at FVOCI are recorded in the net income (loss).

Impairment on financial instruments classified as amortized cost or FVOCI are determined using the expected credit loss model, which is a measure of credit risk, and considers that credit losses may be established on Day 1 of the recognition of a financial instrument asset using probability-weighted outcomes. Expected credit losses are calculated by: (a) identifying scenarios in which a loan or receivable defaults; (b) estimating the cash shortfall that would be incurred in each scenario if a default were to happen; (c) multiplying that loss by the probability of the default happening; and (d) summing the results of all such possible default events.

Financial instruments may be designated on initial recognition as FVPL if any of the following criteria are met: i) embedded derivatives that are clearly and closely related, if the host contract is measured in FVPL; ii) the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring the financial asset or liability or recognizing the gains and losses on them on a different basis; or iii) the financial asset and financial liability are part of a group of financial assets or liabilities that is managed and its performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Gains and losses related to periodic revaluations of financial assets and liabilities designated as FVPL are recorded in net income (loss).

(i) Classification and measurement

Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of the financial instrument.

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Financial assets are classified either at: (a) amortized cost, (b) FVOCI, or (c) FVPL. The classification depends on the contractual cash flow characteristics of the financial asset and the Company's business model for managing the financial assets. The classification of financial assets is determined at initial recognition. Upon initial recognition, financial assets are measured at fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, when the contractual right to receive the cash flows is transferred or when the contractual rights to receive the cash flows are retained but the Company assumes a contractual obligation to pay the cash flows to one or more recipients.

Long-term debt is recognized initially at fair value, net of transaction costs incurred and directly attributable to the issuance of the liability. These financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Transaction costs relating to long-term debt are amortized in finance costs in the statements of loss and comprehensive loss.

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statements of loss and comprehensive loss using the effective interest rate method.

Based on initial classification, financial assets and liabilities are thereafter measured at fair value or amortized cost.

The classification of financial instruments held by the Company is as follows:

- Derivatives not designated in hedge relationships that qualify for hedge accounting in accordance with IAS 39, "*Financial Instruments*" ("IAS 39"), are classified and subsequently measured at FVPL and measured at their fair value determined upon available market data. Profit or losses on derivatives are recorded in loss (gain) in embedded derivative in the statements of loss and comprehensive loss.
- Cash and cash equivalents, trade receivables, and advance to shareholder are classified as and subsequently measured at amortized cost using the effective interest method. These financial assets are held within a business model whose objective is to hold the assets in order to collect contractual cash flows provided they give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding and are carried at amortized cost using the effective interest rate method, less any impairment. These assets are classified as current or non-current assets based on their maturity date.
- Trade payables, advances due to related parties, term note payable, and long-term debt are classified as and subsequently measured at amortized cost using the effective interest method.

(ii) *Impairment of financial assets*

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired and also whether the credit risk on a financial asset has increased significantly since initial recognition.

(iii) *Fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Relevant market prices are used to determine fair values where available.

(iv) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Leases

Right-of-use assets

The Company recognizes right-of-use ("ROU") assets at the commencement date of the lease. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for remeasurement of lease liabilities resulting from a change in future lease payments arising from a change in an index or a rate, or a change in the assessment of whether the purchase, extension or termination options will be exercised.

The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets

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are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes a lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the implicit interest rate in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and which do not contain a purchase option. The Company also applies the low-value asset recognition exemption to leases of assets with a value below \$5,000. Lease payments on short-term leases and low-value asset leases are recognized as expense on a straight-line basis over the lease term.

The Company elected to apply the practical expedients for low-value assets, short-term leases, and lease and non-lease components as a single component.

Convertible debt

Financial instruments issued by the Company comprise convertible debt that can be converted to share capital based on the occurrence of certain events, and the number of shares to be issued can vary with changes in their fair value.

The liability component of the convertible debt is recognized initially at the fair value of a similar liability that does not have an equity conversion option.

The equity component is considered an embedded derivative since its economic characteristics and risks are not fixed or closely related to those of the host instrument. Embedded derivatives are treated as a separate derivative. The equity conversion options are measured at fair value as a liability with subsequent changes in fair value recognized in the statements of loss and comprehensive loss.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. As at the transition date of January 1, 2018, the Company had not issued the convertible debt. Subsequent to the issuance in 2018, the Company revalued the convertible debt and embedded derivative component in accordance with IFRS, whereas the carrying value of the convertible debt was reported entirely as a liability as allowed under ASPE prior to transition.

Interest, dividends, losses, and gains relating to the financial liability are recognized in the statements of loss and comprehensive loss. Distributions to the equity holders are recognized in equity, net of any tax benefit.

Trade Receivables

Recognition and measurement

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provisions for impairment.

Impairment

An impairment allowance of trade receivables is established at the time of the sales transaction based on objective evidence of lifetime expected credit losses ("ECL"), which is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive discounted at the original effective interest rate. Because ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due. The Company employs a provision matrix based on trade receivables of similar

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characteristics and credit quality of the customer. The probabilities of ECL are calculated using historical experience and forecasts of future economic conditions applied to the receivables based on categories within its aging schedule. The expense (income) related to the increase (decrease) of the impairment allowance is recognized in the statements of loss and comprehensive loss, and subsequent recoveries of amounts previously written off are credited in the statements of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in bank accounts and on hand, short-term deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, less bank overdrafts that are repayable on demand, provided there is a right of offset.

Trade payables

Trade payables are initially recorded at fair value and classified as current liabilities if payment is due in one year or less.

Provisions

Provisions are recorded for the best estimate of expenditures required to settle liabilities of uncertain timing or amount when management determines that a legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and such amounts can be reasonably estimated. Provisions are measured at the present value of the expected expenditures to be required to settle the obligation.

The ultimate cost to settle such liabilities is at times uncertain, and cost estimates can vary in response to many factors. The settlement of these liabilities could materially differ from recorded amounts. In addition, the expected timing of expenditures can also change. As a result, there could be significant adjustments to provisions, which could result in additional charges or recoveries affecting future financial results.

A provision for loss-making (onerous) contracts is recognized when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received by the Company under those contracts. The Company has considered the least net costs of exiting any loss-making contracts and has assessed the profitability (revenue net of unavoidable costs) of the contracts over their lifetime. The Company did not record any provisions for onerous contracts as at December 31, 2019 and 2018 and January 1, 2018.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Fair value measurements

Fair value accounting guidance establishes a framework for measuring fair value and expands disclosure about fair value measurements. The framework is intended to enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing the hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value hierarchy consists of three broad levels described below:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted market prices that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs that are both significant to the fair value measurement and unobservable.

Earnings per share

Basic earnings per share is calculated by dividing net loss by the basic weighted-average number of outstanding common shares.

The Company has two categories of potential dilutive securities: stock options and the Convertible Debt. Diluted loss per share excludes all dilutive potential shares if their effect is anti-dilutive. As a result of net losses incurred, all potentially dilutive securities have been excluded from the calculation of diluted loss per share because including them would be anti-dilutive; therefore, basic and diluted number of shares is the same for the years ended December 31, 2019, and 2018. All outstanding stock options and the Convertible Debt could potentially dilute loss per share in the future.

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Related party transactions

Transactions with related parties that are executed in the normal course of operations are recorded at fair value.

Segment reporting

The Company reports segment information in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the Company's operating segments. The Company operates as a single reportable segment.

Presentation of financial statements

The financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency, and are rounded to the nearest dollar.

2.5. Judgments in applying accounting policies and key sources of estimation uncertainty

Certain amounts included in the financial statements involve the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience. However, actual results may differ from the amounts included in the financial statements. Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the items presented below.

Assessment of revenue recognition under IFRS 15

During the period, management assessed the various performance obligations present in each contract in effect and if revenue was to be recognized at a point in time or over a period of time. Judgment regarding the identification of those performance obligations was used to determine the relevant pattern of revenue recognition for each customer contract.

Impairment tests for property and equipment, intangible assets, and goodwill

The determination of fair value and value-in-use of the cash generating unit depends on a number of assumptions, in particular market data, estimated future cash flows, and the discount rate.

These assumptions are subject to risk and uncertainty. Any material changes in these assumptions could result in a significant change in the recoverable value of the Company's property and equipment, intangible assets, and goodwill.

Fair value of financial instruments and share-based payments

The fair value remeasurement of the derivative liability is based on numerous assumptions and estimates that may have a significant impact on the amount recognized as a financial liability. The impact of material changes in assumptions and the review of estimates is recognized in the statements of loss and comprehensive loss in the period in which the changes occur or the estimates are reviewed, as required.

Management estimates the fair value of share-based payments, using various assumptions such as the volatility, common share value, forfeiture rates and discount rates used in the Black-Scholes valuation model. These assumptions are subject to risk, variability, and uncertainty. Any material changes in these assumptions could result in a significant change in the grant date fair value of the share-based payment awards and expense recognized.

Income taxes

Significant judgment is sometimes required in determining the accrual for income taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recorded, such differences will impact the current and deferred income tax provisions, results of operations and possibly cash flows in the year in which such determination is made.

Management judgment is required to determine the extent to which deferred tax assets can be recognized. In assessing the recognition of deferred tax assets, management considers whether it is probable that the deferred tax assets will be utilized. The deferred tax assets will be ultimately utilized to the extent that sufficient taxable profits will be available in the years in which the temporary differences become deductible. This assessment is conducted through a detailed review of deferred tax assets by jurisdiction and takes into account the scheduled reversals of taxable and deductible temporary differences, past, current, and expected future performance deriving from the budget, the business plan and tax planning strategies. Deferred tax assets are not recognized in the jurisdictions

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where it is not probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilized.

Provisions

Provisions for the following are considered on an ongoing basis: (a) legal and other potential claims; and (b) onerous contracts. Presently, no provisions have been recorded for these matters. However, future provisions could become necessary as circumstances change and could be material. Any potential amounts for provisions represent management's best estimates of the expenditure required to settle the obligation at the date of the statements of financial position and are revised each year until the actual liability is settled.

NOTE 3 — Revenue

The Company's revenue by service offering for the periods presented were:

	Years Ended December 31,	
	2019	2018
Software as a service	\$ 71,777	\$ 66,964
Software development	4,250,000	3,358,333
Total revenue	<u>\$ 4,321,777</u>	<u>\$ 3,425,297</u>

The following table outlines the changes in contract liabilities for the periods presented:

	2019	2018
Balance as at January 1,	\$ 333,333	\$ -
Impact from IFRS 15 adoption	-	-
Decrease from satisfied performance obligations	(4,000,000)	(3,333,333)
Increase from changes as a result of the measure of progress	4,000,000	3,666,666
Balance as at December 31,	<u>\$ 333,333</u>	<u>\$ 333,333</u>
Of which current	333,333	333,333
Of which non-current	-	-

With the adoption of IFRS 15, "*Revenue from Contracts with Customers*" ("IFRS 15"), as at January 1, 2018, the Company did not recognize any impact to opening retained earnings.

The Company's minimum performance commitments to its customers remain through 2023. The Company expects to recognize revenue of approximately \$3.5 million, \$2.1 million, \$1.9 million, and \$0.3 million in the years ending December 31, 2020, 2021, 2022 and 2023, respectively, for partial and fully unsatisfied performance obligations under its fixed-fee arrangements.

NOTE 4 — Labour and Employee Benefits

	Years Ended December 31,	
	2019	2018
Wages and salaries	\$ 3,949,856	\$ 3,637,730
Registered retirement savings plan	107,489	59,990
Other employee-related costs	324,260	121,505
Total labour and employee benefits expenses	<u>\$ 4,381,605</u>	<u>\$ 3,819,225</u>

NOTE 5 — Income Taxes

As described in Note 2.4, a detailed assessment was performed based on expected future performance and taxable income. The Company concluded that it is probable that the net deferred tax asset balance will not be recoverable in future periods. Therefore, no current or deferred income tax provision has been recognized in the financial statements, and no difference between the statutory and effective tax rates exist.

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The following table illustrates the major items included in each component of deferred income taxes:

	December 31, 2019	December 31, 2018
Deductible temporary differences	\$ (51,588)	\$ 24,342
Non-capital losses carried forward	3,031,744	2,581,832
Unclaimed investment tax credits	94,382	94,382
	<u>\$ 3,074,538</u>	<u>\$ 2,700,556</u>

As at December 31, 2019 and 2018, the Company had Canadian federal tax loss carryforwards of approximately \$11.2 million and \$9.5 million, respectively, and Canadian provincial tax loss carryforwards of approximately \$11.7 million and \$10.0 million, respectively, available to be used to offset future taxable income, which will begin to expire in 2036.

NOTE 6 — Cash and Cash Equivalents

As at December 31, 2019 and 2018 and January 1, 2018, all cash and cash equivalents represented cash in banks and on hand. No restrictions on cash and cash equivalents were present as at December 31, 2019 and 2018 and January 1, 2018.

NOTE 7 — Trade Receivables

Trade receivables were comprised entirely of open customer accounts due to the Company.

All trade receivables were classified as current assets, and no trade receivables were over 30 days past due as at December 31, 2019.

Impairment allowance

The Company periodically reviews its customers' account aging, credit worthiness, payment histories, and balance trends in order to evaluate trade receivables for impairment under the current expected credit loss. Management also considers historical losses and whether changes in general economic conditions and if the industries in which the Company operates are likely to impact the ability of the Company's customers to remain within agreed payment terms or to pay their account balances in full.

No impairment allowances were recognized during the years ended December 31, 2019 and 2018.

The maximum exposure to credit risk as at the reporting date was the carrying value of trade receivables. The Company did not hold any collateral from its customers or debtors as security as at December 31, 2019 and 2018 and January 1, 2018.

Currency concentrations

As at December 31, 2019 and 2018 and January 1, 2018, the Company had no outstanding trade receivables transacted in currencies other than the Company's functional currency (Canadian dollars).

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NOTE 8 — Property and Equipment

Property and equipment balances and movements were comprised as follows:

	Leasehold Improvements	Furniture and Equipment	Computer Hardware	Total
Balance as at January 1, 2019	\$ 321,024	\$ 81,164	\$ 55,020	\$ 457,208
Additions	-	6,478	42,059	48,537
Disposals	-	-	-	-
Depreciation expense	(33,498)	(22,659)	(41,877)	(98,034)
Balance as at December 31, 2019	<u>\$ 287,526</u>	<u>\$ 64,983</u>	<u>\$ 55,202</u>	<u>\$ 407,711</u>
Cost	\$ 347,543	\$ 130,689	\$ 172,052	\$ 650,284
Less accumulated depreciation	(60,017)	(65,706)	(116,850)	(242,573)
Balance as at December 31, 2019	<u>\$ 287,526</u>	<u>\$ 64,983</u>	<u>\$ 55,202</u>	<u>\$ 407,711</u>

	Leasehold Improvements	Furniture and Equipment	Computer Hardware	Total
Balance as at January 1, 2018	\$ -	\$ 11,389	\$ 52,340	\$ 63,729
Additions	347,543	90,111	34,666	472,320
Disposals	-	-	-	-
Depreciation expense	(26,519)	(20,336)	(31,986)	(78,841)
Balance as at December 31, 2018	<u>\$ 321,024</u>	<u>\$ 81,164</u>	<u>\$ 55,020</u>	<u>\$ 457,208</u>
Cost	\$ 347,543	\$ 124,211	\$ 129,993	\$ 601,747
Less accumulated depreciation	(26,519)	(43,047)	(74,973)	(144,539)
Balance as at December 31, 2018	<u>\$ 321,024</u>	<u>\$ 81,164</u>	<u>\$ 55,020</u>	<u>\$ 457,208</u>

As at December 31, 2019, the Company did not have any accrued balances for acquired property and equipment within accounts payable and accrued liabilities.

The Company did not recognize any impairments of property and equipment during the years ended December 31, 2019 and 2018.

The amount of contractual commitments for the acquisition of property and equipment is disclosed in NOTE 17 — Commitments.

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NOTE 9 — Intangible Assets and Goodwill

Changes in intangible assets were as follows:

	<u>Intellectual Property</u>	<u>Goodwill</u>
Cost		
Balance as at January 1, 2019	\$ 1,950,000	\$ 4,370,000
Additions	-	-
Disposals	-	-
Balance as at December 31, 2019	<u>\$ 1,950,000</u>	<u>\$ 4,370,000</u>
Cost	\$ 1,950,000	\$ 4,370,000
Less accumulated depreciation	(1,950,000)	-
Balance as at December 31, 2019	<u>\$ -</u>	<u>\$ 4,370,000</u>
Cost		
Balance as at January 1, 2018	\$ 1,950,000	\$ 4,370,000
Additions	-	-
Disposals	-	-
Balance as at December 31, 2018	<u>\$ 1,950,000</u>	<u>\$ 4,370,000</u>
Cost	\$ 1,950,000	\$ 4,370,000
Less accumulated depreciation	(1,300,000)	-
Balance as at December 31, 2018	<u>\$ 650,000</u>	<u>\$ 4,370,000</u>

As at January 1, 2018, the recoverable value of the Company was determined based on its value-in-use. This value is estimated from cash flow projections based on the financial budget approved by management and covering a five-year period. Cash flows beyond this period are estimated using a perpetual long-term growth rate of 6.5% for the subsequent years. The value-in-use is the sum of discounted cash flows over the projected period and the terminal value. Discount rates are determined based on the weighted-average cost of capital of the Company and was estimated at 15%. Based on this assessment, the Company did not recognize an impairment of goodwill subsequent to its transition to IFRS and corresponding changes to the financial statements. No impairments, transfers, or other adjustments occurred during 2019 and 2018.

The amount of contractual commitments for the acquisition of intangible assets is disclosed in NOTE 17 — Commitments.

NOTE 10 — Accounts Payable and Accrued Liabilities

	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>January 1, 2018</u>
Trade payables	\$ 109,139	\$ 389,789	\$ 380,147
Employees' entitlements	86,349	70,469	41,307
Other payables	144,277	192,123	16,786
Total other payables and accrued liabilities	230,626	262,592	58,093
Total accounts payable and accrued liabilities	<u>\$ 339,765</u>	<u>\$ 652,381</u>	<u>\$ 438,240</u>

NOTE 11 — Leases

Initial adoption of IFRS 16

The Company's leases primarily relate to residential building space, office space, and office equipment. The depreciable life of assets and leasehold improvements is limited by the expected lease term.

The Company elected to early adopt the provisions of IFRS 16, "Leases" ("IFRS 16"), concurrently with IFRS 15 as at January 1, 2018. In accordance with IFRS 16, the Company was required to measure and record an operating lease liability equal to the present value of the remaining lease payments, discounted using the rate implicit in the lease (or

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if that rate cannot be readily determined, the Company's incremental borrowing rate). Lease payments used in measuring the operating lease liability were amounts due to the lessor excluding any payments made before lease commencement. As the rate implicit in its leases was not readily determinable, the Company considered discount rates for collateralized borrowings for a company with a similar credit standing and adjusted those discount rates for each respective lease term to obtain its incremental borrowing rate.

The Company assessed its leases in effect as at January 1, 2018. All of its leases either met the practical expedients for low-value leases or short-term leases. The Company did not reassess prior conclusions related to existing contracts containing leases, lease classifications, and initial direct costs. Leases with an initial term of 12 months or less were not recorded in the statements of financial position, and the related lease expense for these leases was recognized on a straight-line basis over the respective lease term. For lease agreements where the estimated present value of all future lease payments was less than \$5,000, the Company did not record the lease liability in the statements of financial position, and the related lease expense for these leases was recognized on a straight-line basis over the respective lease term. Therefore, as at January 1, 2018, the Company recognized no lease liabilities or corresponding ROU assets.

Post-adoption

The Company leases office space for use in its operations. In March 2018, the Company signed its current building lease for an initial term of 10 years with two additional five-year extensions exercisable by the Company. At lease commencement, the extensions were not deemed to be reasonably certain to be exercised by the Company; thus, these extensions were not included in the term for the lease liability and ROU asset. The lease provides for additional rent payments that relate to the property taxes levied on the lessor, insurance payments made by the lessor, and operating expenses and common area maintenance expenses charged by the lessor. These amounts are generally determined annually.

The Company also has low-value and short-term leases primarily for printers and office equipment, with terms of one to five years. The Company typically recognizes lease expense on a straight-line basis over the life of the lease for these assets.

The following table represents the changes in ROU assets for the years ended December 31, 2019 and 2018:

	2019	2018
Cost		
Balance as at January 1,	\$ 430,976	\$ -
Additions	-	430,976
Disposals	-	-
Balance as at December 31,	<u>\$ 430,976</u>	<u>\$ 430,976</u>
Cost	\$ 430,976	\$ 430,976
Less accumulated depreciation	<u>(74,426)</u>	<u>(32,886)</u>
Balance as at December 31,	<u>\$ 356,550</u>	<u>\$ 398,090</u>

For the years ended December 31, 2019 and 2018, the expenses relating to variable lease payments not included in the measurement of lease obligations were \$92,502 and nil, respectively. This consists primarily of variable lease payments related to operating expenses and other costs associated with the office space lease. For the years ended December 31, 2019 and 2018, expenses relating to short-term and low-value leases were \$24,685 and \$40,217, respectively. For the years ended December 31, 2019 and 2018, total cash outflows for leases and other rents were \$221,397 and \$40,217, respectively.

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The following table outlines the maturity of the contractual payments due under the Company's lease arrangements as at December 31, 2019:

Less than 1 year	\$	104,210
1 to 5 years		541,994
More than 5 years		291,175
Total	\$	937,379
Less: Impact of discounting		308,768
Total lease obligations	\$	628,611
Of which non-current	\$	584,090
Of which current		44,521

NOTE 12 — Borrowings

12.1 Analysis by nature

	December 31, 2019			
	Carrying amount	Face value	Nominal rate	Effective rate
Long-term debt	\$ 2,180,524	\$ 2,500,000	8.00%	12.03%
Lease liability	628,611	628,611		9.95%
Accrued interest	362,000	362,000		
Total long-term borrowings	\$ 3,171,135	\$ 3,490,611		
Of which non-current	\$ 3,126,614			
Of which current	44,521			

	December 31, 2018			
	Carrying amount	Face value	Nominal rate	Effective rate
Long-term debt	\$ 2,119,547	\$ 2,500,000	8.00%	12.03%
Lease liability	668,932	668,932		9.95%
Accrued interest	150,000	150,000		
Total long-term borrowings	\$ 2,938,479	\$ 3,318,932		
Of which non-current	\$ 2,898,158			
Of which current	40,321			

12.2 Movements in borrowings

	2019	2018
Balance as at January 1,	\$ 2,788,479	\$ -
Issuance of long term debt	-	2,081,755
Accretion of long term debt	60,977	37,792
Incurrence of lease liability	-	618,461
Accretion of lease liability	-	50,471
Repayment of lease liability	(40,321)	-
Balance as at December 31,	\$ 2,809,135	\$ 2,788,479

12.3 Main features of borrowings

Convertible debt

On April 2, 2018, the Company issued an unsecured convertible debt for a principal amount of \$2,500,000 at an annual interest rate of 8%, which matures in April 2023 (the "Convertible Debt"). Subject to certain prepayment features, the Convertible Debt is automatically converted into either common shares or the most senior class of issued and outstanding equity securities, at the holder's option, at the end of its five-year term. The conversion option is automatically exercised in the event of a qualified financing or a change of control. The equity conversion options

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were deemed to be an embedded derivative to the underlying debt instrument with a term contemporaneous with the Convertible Debt.

The carrying value of the embedded derivative related to the Convertible Debt classified as a liability was \$418,245 at inception. See NOTE 15 – Financial Instruments for more information on the embedded derivative.

Covenants

As at December 31, 2019, the Company was in compliance with all of the covenants related to the Convertible Debt. Any failure to comply with the covenants could result in an event of default, which if not cured or waived, could have a material adverse effect on the Company's business, financial condition, and results of operations. Additionally, if the holder becomes incapable of holding the Convertible Debt or decides to no longer fund the Company, these events could have a material adverse effect on the Company's liquidity, financial condition, and results of operations.

Short-term borrowings – Term note payable

In April 2017, the Company entered into a one-year term note with National Bank of Canada with a principal amount of \$2,500,000 (the "Term Note"). The Term Note bears a variable annual interest rate of the prime rate plus 2.75% and an original maturity in April 2018. Concurrent with issuance of the Term Note, shareholders of the Company, Persistence Capital Partners II, L.P. and Persistence Capital Partners II (International), L.P., were issued 205,482 and 6,661 stock options, respectively, in the Company's common stock in exchange for a guarantee of repayment to National Bank of Canada for the Term Note. The issued stock options possessed no vesting options at the time of grant; however, they are exercisable upon the occurrence of a specified liquidity event. As at January 1, 2018, the fair value of the guarantee was determined as the consideration received less the fair value of debt instruments with similar characteristics without the financial guarantee, which equated to \$56,231 and was recognized in equity.

In July 2018, the Company renewed the Term Note under the same terms and conditions and an updated maturity of June 2019. In July 2019, the Company renewed the Term Note under the same terms and conditions and an updated maturity of June 2020. In July 2020, the Company renewed the Term Note with an updated maturity through December 31, 2020 and variable annual interest rate of the prime rate plus 3.25% (the "Amended Term Note"). The other terms and conditions under the Amended Term Note remained the same as those under the Term Note.

The stock options related to the guarantee were considered outstanding as at each renewal date and reporting period with no subsequent or incremental consideration exchanged.

NOTE 13 — Share Capital

The Company's authorized share capital is comprised of an unlimited number, all without par value, of Class A, B, and C common shares and Class A preferred shares. Each common share has voting (one vote per share) and noncumulative dividend rights. Class A common shareholders are entitled to the first \$10 dividend declared, and Class B common shareholders are entitled to the second \$10 dividend declared. The Company also has outstanding Class A preferred shares, which are not entitled to voting or dividend rights and are redeemable at the option of the Company.

Share capital by class was as follows for the periods presented:

	December 31, 2019		December 31, 2018		January 1, 2018	
	Shares	Amounts	Shares	Amounts	Shares	Amounts
Class A common shares	9,060,539	\$ 8,115,348	8,744,543	\$ 7,012,206	8,744,543	\$ 7,012,206
Class B common shares	2,500,000	335	2,500,000	335	2,500,000	335
Class C common shares	1,000,000	1	1,000,000	1	1,000,000	1
Class A preferred shares redeemable at \$1 per share	2,250,000	2	2,250,000	2	2,250,000	2
	<u>14,810,539</u>	<u>\$ 8,115,686</u>	<u>14,494,543</u>	<u>\$ 7,012,544</u>	<u>14,494,543</u>	<u>\$ 7,012,544</u>

During 2019, the Company issued 315,996 Class A common shares at \$3.49 per share. No common shares of the Company were issued during the year ended December 31, 2018.

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NOTE 14 — Share-Based Compensation

Stock options

The Company issued individual stock options that entitles directors, shareholders, key employees, or consultants to purchase Class A common shares of the Company. The options generally expire 10 years after the grant date and typically vest over a period of four years, subject to a non-market performance condition related to the occurrence of a liquidity event. In accordance with the stock option plan, the options are exercisable at the fair value of the shares at the date of grant. The grant date fair value of stock options issued were \$281,855 and \$242,488 for 2019 and 2018, respectively.

The number and weighted average exercise prices of stock options were as follows:

	2019		2018	
	Shares	Weighted Average exercise price	Shares	Weighted Average exercise price
Options outstanding, beginning of year	3,252,067	\$ 2.00	3,121,309	\$ 1.99
Granted	123,443	3.38	177,400	2.14
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	(46,642)	2.14
Options outstanding, end of year	3,375,510	2.05	3,252,067	2.00
Options exercisable, end of year	1,512,331	1.88	1,512,331	1.88

Exercise price	Number of options	Weighted average remaining contractual life
		(in years)
\$0.63	450,882	3.07
\$2.14	2,642,909	4.16
\$3.38	172,769	6.50
\$3.49	108,950	9.68

The fair value of each option was estimated on the date of grant using the Black-Scholes model. Expected volatility was based on historical volatility of similarly-situated, publicly-traded companies (i.e., small capitalization healthcare technology companies), calculated using the most recent time period equal to the expected life of the options. The risk-free interest rate was based on Bank of Canada yields for a term equal to the expected life of the options at the time of grant. The Company used the expected likely time of exercise (time to a possible liquidity event) based on the operational expectations to build out the application platform to determine the expected life of options. All inputs into the Black-Scholes model are estimates made at the time of grant. Actual realized value of each option grant could materially differ from these estimates, without impact to future reported net income.

The following weighted average assumptions were used to estimate the fair value of stock options granted in the periods presented:

	Years Ended December 31,	
	2019	2018
Dividend yield	0.00%	0.00%
Risk-free rate	1.16%	2.11%
Expected option life	5 Years	5 Years
Expected volatility	81.36%	78.13%

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NOTE 15 — Financial Instruments

15.1 Financial assets and liabilities by categories

The Company's financial assets include cash and cash equivalents, trade receivables, and shareholder advances, and its financial liabilities consisted of trade payables and short-term and long-term borrowings. Cash and cash equivalents, trade receivables, and advances to shareholder are carried at amortized cost using the effective interest rate method, less any impairment. Trade payables and short-term and long-term borrowings are financial liabilities measured at amortized cost using the effective interest rate method. The embedded derivative is carried at fair value based on observable and unobservable inputs.

	December 31, 2019			December 31, 2018		
	At Carrying Value or Amortized Cost	At FVPL	Total	At Carrying Value or Amortized Cost	At FVPL	Total
Cash and cash equivalents	\$ 116,835	\$ -	\$ 116,835	\$ 90,285	\$ -	\$ 90,285
Trade receivables	3,519	-	3,519	25,000	-	25,000
Advance to shareholder	10,000	-	10,000	10,000	-	10,000
Total financial assets	<u>\$ 130,354</u>	<u>\$ -</u>	<u>\$ 130,354</u>	<u>\$ 125,285</u>	<u>\$ -</u>	<u>\$ 125,285</u>
Trade payables	\$ 109,139	\$ -	\$ 109,139	\$ 389,789	\$ -	\$ 389,789
Borrowings (short-term and long-term)	6,159,132	-	6,159,132	5,538,476	-	5,538,476
Accrued interest	362,000	-	362,000	150,000	-	150,000
Derivative liability	-	1,110,294	1,110,294	-	378,733	378,733
Total financial liabilities	<u>\$ 6,630,271</u>	<u>\$ 1,110,294</u>	<u>\$ 7,740,565</u>	<u>\$ 6,078,265</u>	<u>\$ 378,733</u>	<u>\$ 6,456,998</u>

	January 1, 2018		
	At Carrying Value or Amortized Cost	At FVPL	Total
Cash and cash equivalents	\$ 48,872	\$ -	\$ 48,872
Trade receivables	83,797	-	83,797
Advance to shareholder	10,000	-	10,000
Total financial assets	<u>\$ 142,669</u>	<u>\$ -</u>	<u>\$ 142,669</u>
Trade payables	\$ 380,147	\$ -	\$ 380,147
Borrowings (short-term and long-term)	3,971,937	-	3,971,937
Accrued interest	-	-	-
Derivative liability	-	-	-
Total financial liabilities	<u>\$ 4,352,084</u>	<u>\$ -</u>	<u>\$ 4,352,084</u>

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

15.2 Fair values

The carrying values of the Company's term loans and related party advances were the redemption value at maturity.

The embedded derivative within the Convertible Debt has the character of a financial derivative. Accordingly, the fair value of the equity conversion option is re-estimated periodically, and changes in the fair value are recognized within the statements of loss and comprehensive loss.

The fair values of all of the Company's other financial assets and liabilities approximated their carrying values as a result of their liquidity or short maturity.

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15.3 Valuation hierarchy

The Company analyzes its financial instruments measured at fair value and groups them into levels based on the degree to which the fair value was observable.

The carrying amounts of cash and cash equivalents, trade receivables, advances to shareholder, trade payables, advances due to related parties, and short-term borrowings approximate their fair value because of the short-term maturity and highly liquid nature of these instruments and are considered Level 1.

The Convertible Debt is carried at the present value of the discounted future cash flows using rates currently available for debt of similar terms and maturity, net of unamortized discount and deferred costs, as of the end of the reporting period (Level 3). The carrying value of the Convertible Debt approximates its fair value.

The estimated fair value of the embedded derivative related to the equity conversion option of the Convertible Debt is determined using a discounted cash flow method, which includes assumptions based on unobservable inputs. In light of the methodologies employed to obtain the fair values, the embedded derivative is classified as Level 3 in the fair value hierarchy. The carrying value equaled the estimated fair value of the instrument and was recorded in the statements of financial position.

During the years ended December 31, 2019 and 2018, the Company recognized the following changes to this instrument:

	December 31,	
	2019	2018
Balance as at January 1,	\$ 378,733	\$ 418,245
Net unrealized (gains) losses on derivatives at FVPL	731,561	(39,512)
Balance as at December 31,	<u>\$ 1,110,294</u>	<u>\$ 378,733</u>

The significant unobservable inputs utilized in the estimation of the fair value of the embedded derivative primarily relate to the probability of occurrence of certain financing events as defined within the debt arrangement and estimates and judgments around the estimated forward and spot prices of the convertible shares. Through a quantitative sensitivity analysis, a hypothetical increase/decrease in these unobservable inputs of 10% would have resulted in an increase/decrease in the fair value of the derivative liability of \$111,029 with a corresponding decrease/increase in earnings as at December 31, 2019.

There were no transfers into or out of Level 1, Level 2, or Level 3 during the years ended December 31, 2019 and 2018.

NOTE 16 — Risk Management

The Company's financial risk management strategy focused on creating and marketing a viable software product for sale and distribution and minimizing the cash flow impacts of volatility in interest rates, while maintaining the financial flexibility the Company required in order to successfully execute its business strategies.

Due to the Company's capital structure and the nature of the Company's operations, the Company is exposed to the following financial risks: (i) market risk, including interest rate risk and foreign exchange risk; (ii) credit risk; and (iii) liquidity and capital management risk.

16.1 Market risk

(i) Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments held by the Company and that are subject to variable rates will fluctuate, or the cash flows associated with such instruments will be impacted due to changes in market interest rates. The Company's interest rate risk arises principally from its Term Note. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash and cash equivalents deposits (including short-term investments) earning interest at variable interest rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

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Interest rate sensitivity: risks associated with variable-rate financial instruments

The Company is exposed to changes in interest rates on the Company's outstanding indebtedness under the Term Note. A hypothetical 100 basis point increase in interest rates from December 31, 2019 and 2018 levels would have had an impact on interest expense of \$25,658 and \$33,821, respectively. The Company does not currently intend to enter into floating-to-fixed interest rate swaps to hedge floating interest rate exposure under the Term Note.

(ii) *Foreign exchange risk*

The Company has minimal risk attributable to certain U.S. dollar-denominated transactions pertaining to purchases of products and services. The Company manages its exposure to currency fluctuations by monitoring its level of cash in foreign currencies. Management did not hedge these exposures as at December 31, 2019.

Foreign exchange rate sensitivity

The Company is exposed to changes in currency exchange rates on certain of the Company's operating transactions. A hypothetical 10% strengthening (weakening) of the U.S. dollar in relation to the Canadian dollar from December 31, 2019 and 2018 levels would have had an immaterial impact on net loss.

16.2 Credit risk

Credit risk pertains to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk with financial institutions and other parties as a result of cash-in-bank and customer trade receivables arising from the Company's operating activities. The maximum exposure to credit risk at the reporting date was the carrying value of each class of financial asset as described in NOTE 15 — Financial Instruments. The Company did not hold any collateral as security.

Credit risk related to transactions with financial institutions

Credit risk with financial institutions was managed by the Company's finance department. Management was not aware of any significant risks associated with financial institutions as a result of cash and cash equivalents deposits, including short-term investments.

Credit risks related to customer trade receivables

The Company's customer base consisted of two primary customers, one of which represented approximately 98% of revenue for both 2019 and 2018. Payment terms varied, and credit limits were typically established based on internal or external rating criteria, which take into account such factors as the customer's financial condition, credit history, and risk associated with their industry segment. The high concentration of the Company's customer base represents the totality of its trade receivables, this necessitates the active monitoring and management of the outstanding receivables from customers by the Company. Historically, the Company has an extremely low level of customer default as a result of its historical experience with the Company's customer base and an active credit monitoring function. Collateral is generally not required to be posted by the Company's customers.

See NOTE 7 — Trade Receivables for the aging of trade receivables.

16.3 Liquidity and capital risk management

The capital structure of the Company included shareholders' equity (deficit) and borrowings. Management's overriding objectives when managing capital are to have sufficient liquidity to meet its liabilities when due, safeguard the business as a going concern, and create value through market growth and future returns. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company is not subject to any externally imposed capital requirements.

NOTE 17 — Commitments

Capital expenditure and purchase commitments

As at December 31, 2019, the Company had no future commitments for purchases of property and equipment and intangible assets.

Marketing and distribution agreement

The Company's marketing and distribution agreement with a third party requires the Company to pay a commission on certain revenue-generating contracts.

NOTE 18 — Related Party Transactions

Advance to a shareholder

The Company loaned \$10,000 to a certain shareholder bearing interest at 1% annually and maturing on December 31, 2022.

Advances due to related parties

From time to time, the Company receives short-term, interest free advances from certain related parties to cover short-term liquidity needs. As at December 31, 2019 and 2018 and January 1, 2018, advances due to related parties totaled \$849,997, \$249,997 and \$1,491,056, respectively.

Refer to NOTE 12 – Borrowings for information on the guarantee of repayment on the Term Note provided by a shareholder.

Key management remuneration

The Company's key management comprises the Board of Directors members and the executive committee members effectively present during 2019.

Executive committee members are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly reporting to the Chief Executive Officer.

The costs reported below are compensation and benefits for key management:

- Short-term employee benefits include their base salary plus bonus;
- Directors' fees include annual director fees, as well as Board and committees' attendance fees;
- Share-based compensation includes the portion of the IFRS 2, "*Share-based Payment*" ("IFRS 2"), expense attributable to key management (due to the performance condition of the stock options, no expense was recognized for share-based compensation as the probability of occurrence of the liquidity events were deemed improbable);
- Termination benefits include departure costs.

As a result, the aggregate compensation for the Company's key management was comprised of principally of salaries and non-equity incentive compensation, which totaled \$1,072,299 and \$929,249 for the years ended December 31, 2019 and 2018, respectively.

NOTE 19 — IFRS 1 Transition

As stated in NOTE 2.1 of the Financial Statements, these financial statements and accompanying notes are the Company's first prepared in accordance with IFRS.

The accounting policies set out in NOTE 2.4 of the Financial Statements have been applied in preparing the financial statements for the year ended December 31, 2019, the comparative information presented in these financial statements for the year ended December 31, 2018, and in the preparation of an opening IFRS statement of financial position as at January 1, 2018 (the Company's date of transition).

In preparing its opening IFRS statements of financial position, the Company adjusted amounts reported previously in the financial statements prepared in accordance with ASPE. An explanation of how the transition from ASPE to IFRS has affected the Company's financial position, financial performance, and cash flows is set out in the following tables and accompanying notes.

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	Note	ASPE	Effect of transition to IFRS January 1 2018	IFRS	ASPE	Effect of transition to IFRS December 31, 2019	IFRS
Assets							
Current assets							
Cash and cash equivalents		\$ 48,872	\$ -	\$ 48,872	116,835	\$ -	\$ 116,835
Trade and other receivables		166,863	-	166,863	3,519	-	3,519
Prepaid expenses	19.3	15,979	-	15,979	99,620	(41,322)	58,298
Total current assets		231,714	-	231,714	219,974	(41,322)	178,652
Non-current assets							
Property and equipment, net		63,729	-	63,729	407,711	-	407,711
Right-of-use leased asset	19.3	-	-	-	-	356,550	356,550
Goodwill	19.1	4,370,000	-	4,370,000	4,370,000	-	4,370,000
Intangible assets, net		1,300,000	-	1,300,000	-	-	-
Advance to shareholder		10,000	-	10,000	10,000	-	10,000
Total non-current assets		5,743,729	-	5,743,729	4,787,711	356,550	5,144,261
Total assets		\$ 5,975,443	\$ -	\$ 5,975,443	5,007,685	\$ 315,228	\$ 5,322,913
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	19.4	\$ 438,240	\$ -	\$ 438,240	689,353	\$ (349,588)	\$ 339,765
Contract liabilities		-	-	-	333,333	-	333,333
Advances due to related parties		1,491,056	-	1,491,056	849,997	-	849,997
Lease liability	19.3	-	-	-	-	44,521	44,521
Term note payable	19.5	2,500,000	(19,119)	2,480,881	2,500,000	-	2,500,000
Total current liabilities		4,429,296	(19,119)	4,410,177	4,372,683	(305,067)	4,067,616
Non-current liabilities							
Deferred lease inducement	19.3	-	-	-	328,717	(328,717)	-
Lease liability	19.3	-	-	-	-	584,090	584,090
Long-term debt	19.4	-	-	-	2,500,000	(319,476)	2,180,524
Accrued interest	19.4	-	-	-	-	362,000	362,000
Derivative liability	19.4	-	-	-	-	1,110,294	1,110,294
Total non-current liabilities		-	-	-	2,828,717	1,408,191	4,236,908
Total liabilities		4,429,296	(19,119)	4,410,177	7,201,400	1,103,124	8,304,524
Shareholders' equity (deficit)							
Share capital		7,012,544	-	7,012,544	8,115,686	-	8,115,686
Contributed surplus	19.5, 19.8	5,614,774	(375,172)	5,239,602	6,594,450	(1,354,848)	5,239,602
Accumulated deficit		(11,081,171)	394,291	(10,686,880)	(16,903,851)	566,952	(16,336,899)
Total shareholders' (deficit) equity		1,546,147	19,119	1,565,266	(2,193,715)	(787,896)	(2,981,611)
Total liabilities and shareholders' equity		\$ 5,975,443	\$ -	\$ 5,975,443	5,007,685	\$ 315,228	\$ 5,322,913

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	Note	AS PE	Effect of transition to IFRS December 31, 2019	IFRS
Revenue	19.7	\$ 4,346,777	\$ (25,000)	\$ 4,321,777
Expenses				
Labour and employee benefits		4,381,605	-	4,381,605
Software development costs		410,231	-	410,231
Marketing		8,020	-	8,020
Rent	19.3	190,241	(73,054)	117,187
Professional fees		180,071	-	180,071
General and administrative		109,952	-	109,952
Travel, team and business development		165,373	-	165,373
Stock-based compensation	19.8	568,133	(568,133)	-
Revenue share expense		35,873	-	35,873
Loss on foreign exchange		30	-	30
Depreciation	19.3	98,034	41,540	139,574
Amortization of intangible assets		650,000	-	650,000
Loss from operations		(2,450,786)	574,647	(1,876,139)
Loss on embedded derivative	19.4	-	731,561	731,561
Finance costs	19.3, 19.4	369,349	136,866	506,215
Net loss		\$ (2,820,135)	\$ (293,780)	\$ (3,113,915)
Basic and diluted loss per share				
		\$ (0.23)	\$ (0.02)	\$ (0.25)
Weighted average number of basic and diluted common shares		12,335,291	12,335,291	12,335,291

Notes to the Reconciliations

19.1 Business combinations

The Company elected not to restate business combinations that occurred before the date of transition. Therefore, no changes noted in the above reconciliations relate to previous business combinations. However, this election required immediate testing of goodwill for impairment as described below.

19.2 Impairment remeasurement

As described in NOTE 9 to the financial statements, Management conducted an impairment test as at January 1, 2018 as per the transition to IFRS. Potential impairment is identified by comparing the recoverable amount of the cash-generating unit, being the higher of value-in-use and fair value less costs of disposal, to the carrying amount. As at January 1, 2018, the recoverable value of the Company was determined based on its value-in-use. Based on this reassessment, the Company did not recognize an impairment of goodwill related to its transition to IFRS and corresponding changes to the financial statements.

19.3 Leases

The accounting treatment for leases was assessed under IFRS 16, whereas lease arrangements were recorded as lease liabilities and ROU assets upon commencement. As at the transition date, no leases met the criteria for recognition as lease liabilities and ROU assets in the statements of financial position.

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The Company's operating results and financial position under IFRS 16 were different from ASPE as follows:

	January 1, 2018	December 31, 2019
Statements of Comprehensive Loss		
Rent		\$ 73,054
Depreciation		(41,540)
Finance costs		(63,889)
Adjustment to comprehensive loss		\$ (32,375)
Statements of Financial Position		
Prepaid expenses	\$ -	\$ (41,322)
Right-of-use leased asset	-	356,550
Lease liability - short term	-	(44,521)
Deferred lease inducement	-	328,717
Lease liability	-	(584,090)
Adjustment to accumulated deficit	\$ -	\$ 15,335

19.4 Embedded derivative

ASPE did not require separate identification and recognition of the embedded derivative related to the equity conversion options of the Convertible Debt. Under IFRS, derivatives embedded in other contracts are treated as separate assets and liabilities unless certain criteria are met. These assets and liabilities are measured at fair value and changes in fair value are recognized in profit or loss.

The impact arising from the change is summarized as follows:

	January 1, 2018	December 31, 2019
Statements of Comprehensive Loss		
Finance costs		\$ (72,977)
Loss on embedded derivative		(731,561)
Adjustment to comprehensive loss		\$ (804,538)
Statements of Financial Position		
Term note payable	\$ -	\$ 319,476
Derivative liability	-	(1,110,294)
Accrued interest	-	(362,000)
Accounts payable and accrued liabilities	-	349,588
Adjustment to accumulated deficit	\$ -	\$ (803,230)

19.5 Guarantee on Term Note

In April 2017, the Company issued stock options as consideration for a financial guarantee of the repayment of the Term Note. Under ASPE, the Company recorded the Term Note at cost and reported it as a current liability due to the short-term nature of the loan. IFRS requires the valuation and recording as equity of the stock options, equaling the difference in the consideration received less the fair value of the underlying debt at market interest rates. This value represents the reduction of the stated rate on the Term Note from market rates due to the financial guarantee.

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The impact arising from the change is summarized as follows:

	January 1, 2018	December 31, 2019
Statements of Financial Position		
Term note payable	\$ 19,119	\$ -
Contributed surplus	(56,231)	(56,231)
Adjustment to accumulated deficit	<u>\$ (37,112)</u>	<u>\$ (56,231)</u>

19.6 Derecognition

In accordance with the mandatory exception under IFRS 1 pertaining to the derecognition of non-derivative financial assets and liabilities, the Company applied the derecognition requirements under IFRS prospectively to transactions occurring after the transition date. Therefore, all non-derivative financial assets and liabilities that were derecognized under ASPE were not changed, and the opening IFRS statement of financial position was not adjusted with respect to these transactions.

19.7 Revenue recognition

Under ASPE, the Company recognized revenue as the related services were provided, the price negotiated with the buyer was fixed or determinable, and collection was reasonably assured. Revenue from long-term software development contracts was accounted for using the percentage of completion method, by degree of completion of contract activities. In addition, amounts invoiced by the Company before services were provided were recognized as deferred revenue.

The accounting treatment for customer contracts was assessed under IFRS 15, under the five-step model for recognition: 1) contract with the customer was identified; 2) performance obligations in the contract were identified; 3) transaction price was determined; 4) the transaction price was allocated to the performance obligations; and 5) performance obligations were satisfied. Consideration received for performance obligations that were yet to be fulfilled under the terms of the contracts were designated contract liabilities, and satisfied performance obligations where revenue was recognized but an unconditional right to receive payment did not yet exist were recorded as contract assets.

The Company's operating results under IFRS 15 were different from ASPE as follows:

	December 31, 2019
Statements of Comprehensive Loss	
Revenue	\$ (25,000)
Adjustment to comprehensive loss	<u>\$ (25,000)</u>

There were no changes to the opening financial position as at January 1, 2018 related to revenue recognition.

19.8 Share-based payments

In accordance with ASPE, the Company recognized expense on its stock option plans on a straight-line basis over the vesting period. IFRS 2 requires graded vesting of stock options, and the Company adjusted the fair values of the stock options and recognized expense retrospectively for all periods presented. Additionally, the Company issued stock options concurrent with the issuance of its Term Note in April 2017, which was revalued in accordance with IFRS. The Company determined that the expense under ASPE would not be recognized under IFRS due to the performance condition of the stock options, which required the occurrence of a defined liquidity event for the options to be exercisable. Because of this liquidity event condition, most of the previously recognized share-based compensation expense was reversed from prior reported amounts.

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The impact arising from the change is summarized as follows:

	January 1, 2018	December 31, 2019
Statements of Comprehensive Loss		
Stock-based compensation		\$ 568,133
Adjustment to comprehensive loss		\$ 568,133
Statements of Financial Position		
Contributed surplus	\$ 431,403	\$ 1,411,078
Adjustment to accumulated deficit	\$ 431,403	\$ 1,411,078

NOTE 20 — Subsequent Events

PME MTL Centre-Ville Loans

In January 2020, the Company received term loans totaling \$200,000 from the PME MTL Centre-Ville investment funds (“PME MTL Term Loans”)—\$100,000 each from the PME MTL Fund and the Fonds local de solidarité Montréal (“FLS Montréal”). The PME MTL Term Loans were issued with a term of five years at 8.5% interest, payable monthly until repayment or maturity. The term loan agreement contained covenants, including, but not limited to: (i) the Company must use the funds for its software development projects; (ii) the Company’s operations must remain in Montreal; and (iii) no dividends can be paid to the Company’s shareholders without lender preauthorization. Concurrent with the PME MTL Term Loans, the Company was awarded a \$15,000 grant from the PME MTL Centre-Ville’s Young Business Fund (“YBF”). The PME MTL Term Loans contained no prepayment penalty after the first two years. However, if repaid within the first 24 months, the YBF grant would have to be refunded to PME MTL Centre-Ville at the time of early extinguishment.

Novel Coronavirus 2019 (COVID-19) Pandemic

In March 2020, the World Health Organization (“WHO”) declared COVID-19 a pandemic. In response to the WHO declaration and continuing spread of COVID-19, several social distancing measures were taken by the Company and third parties including governments, regulatory authorities, businesses, and customers that could negatively impact the Company’s operations and financial results in future periods. Given the unprecedented and pervasive impact of changing circumstances surrounding the COVID-19 pandemic, there is inherently more uncertainty associated with future operating assumptions and expectations as compared to prior periods. As such, it is not possible to estimate the impacts COVID-19 will have on the Company’s financial position or results of operations in future periods.

Grants and Incentives

In response to the COVID-19 pandemic, certain governmental and regulatory bodies, as well as local business development funds, have provided grants and other subsidies for businesses based on meeting specific criteria and in support of particular initiatives, including maintaining employment thresholds and development within certain industries. The Company has endeavored to attain subsidies related to COVID-19 measures, as well as other business and industry incentives, for which it qualifies.

In April 2020, the Company was approved for a joint grant with a third party technology firm for a patient-centric artificial intelligence research project, whereby certain admissible project expenses will be reimbursed to the companies by the grantor—a Quebec nonprofit organization—up to \$285,000. The Company’s maximum potential reimbursements would equal \$142,500 for project expenses. As of September 16, 2020, the Company has not received any funds under this program.

In June 2020, the Company received approval for the National Research Council of Canada’s (“NRC”) Industrial Research Assistance Program (“IRAP”), which will reimburse the Company for salary costs (excluding benefits, bonuses, and other compensation) equal to the lower of \$437,052 or the actual costs incurred during the period beginning April 1, 2020 through March 31, 2021. These contributions are meant to promote and aid in financing the innovation projects and activities of small and medium size start-up companies that are unable to access other existing COVID-19 support. As of September 16, 2020, the Company has received \$414,950 in payroll reimbursements under the IRAP grant.

CAREBOOK TECHNOLOGIES INC.
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Amendment to Articles of Amalgamation – Class D Shares

On July 2, 2020, the Company amended its articles of amalgamation to update for changes in classes of shares authorized for issuance ("Schedule-A Amendment"). The Schedule-A Amendment instituted Class D-1 and D-2 shares for issuance by the Company and outlined the stipulations for issuance, maximum shares outstanding, and voting rights related to these two new classes of shares. In addition, the Schedule-A Amendment changed the following related to the articles of amalgamation filed in January 2016:

- 1) Classes of common stock: Class A, Class B, Class C, Class D-1 series, and Class D-2 series;
- 2) Dividend rights: all classes of common shares now have the equal rights to declared dividends and continues to be subordinate to preferred shares, which changed from Class A common shareholders being entitled to the first \$10 dividend declared, and Class B common shareholders being entitled to the second \$10 dividend declared;
- 3) Voting rights: Class A – 1 vote per share, Class B – 1.000000001 votes per share, Class C – 1.0000000001 votes per share, Class D-1 series – 1.00000000001 votes per share, and Class D-2 series - 1.000000000001 votes per share; and
- 4) Preemptive rights: eliminated for all classes of common shares.

Also, on July 2, 2020, the Company exchanged \$650,000 of promissory notes included in advances due to related parties for Class D-2 series shares issued to the holder of the promissory note. As of September 16, 2020, the Company had 186,194 shares issued and outstanding of Class D-2 shares at \$3.49 per share.

Reverse Takeover Transaction and Related Private Placement Financing

On August 7, 2020, Pike Mountain Minerals Inc. ("Pike") and Carebook entered into a business combination agreement (the "Business Combination Agreement") pursuant to which Pike and Carebook have agreed to complete a business combination involving a "three-cornered" amalgamation of Carebook with a wholly-owned subsidiary of Pike that will have the effect of Pike acquiring all of the issued and outstanding common shares and other securities of Carebook in exchange for securities in Pike, and resulting in the reverse takeover of Pike by Carebook (the "Transaction"). Upon closing of the Transaction, it is anticipated that Pike will change its name to "Carebook Technologies Inc." (the "Resulting Issuer"), or such other name as determined by Carebook. Pike was listed on the Canadian Securities Exchange (the "CSE"). However, in connection with the execution of the Business Combination Agreement, Pike's common shares were delisted from the CSE effective at the close of trading on August 13, 2020. It is a condition to closing of the Transaction that the Resulting Issuer obtain a listing of its common shares on the TSX Venture Exchange ("TSXV"). Carebook has reserved "CRBK" as a stock symbol for such purposes.

Concurrent with the execution of the Business Combination Agreement, the Company has undertaken a private placement offering of 7,332,000 subscription receipts of the Company at a price of \$2.50 per subscription receipt for aggregate gross proceeds of \$18,330,000 (the "Private Placement"). Each subscription receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one unit of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$3.125 for a period of two years following the escrow release date. Closing of the Private Placement is conditional upon the satisfaction of certain escrow release conditions including the approval of certain matters by Pike shareholders and the TSXV's conditional approval of the listing of the Resulting Issuer's common shares on the TSXV.

APPENDIX D
Carebook Technologies Inc. Management's Discussion and Analysis
for the interim period ended June 30, 2020

See attached.

8. MANAGEMENT'S DISCUSSION AND ANALYSIS

SECOND QUARTER AND FIRST SIX MONTHS OF 2020 VERSUS SECOND QUARTER AND FIRST SIX MONTHS OF 2019

SEPTEMBER 16, 2020

The following Management's Discussion and Analysis ("**MD&A**") is designed to provide the reader with a greater understanding of the financial performance of Carebook Technologies Inc. ("**Carebook**", the "**Company**", "**us**" and "**our**") , its business strategy and how well it manages risk and capital resources. This MD&A, prepared as of September 16, 2020, is intended to improve the interpretation of the Company's unaudited condensed interim financial statements for the three-month and six-month periods ended June 30, 2020 and 2019 (the "**Financial Statements**"), and should therefore be read in conjunction with said document and its accompanying notes, as well as with the annual Management's Discussion and Analysis dated September 16, 2020 ("**2019 Annual MD&A**"), as updated by the Management's Discussion and Analysis of the first quarter of 2020 dated September 16, 2020 ("**Q1-2020 MD&A**") and the annual audited consolidated financial statements and accompanying notes for the years ended December 31, 2019 and December 31, 2018. The information within this MD&A contains forward-looking statements and assumptions and should be read together with the text in the section "*Cautionary Statement Regarding Forward-Looking Statements*" below.

The Company's Financial Statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All financial information included in this MD&A is presented in Canadian dollars, except share and per share amounts, or unless otherwise indicated. Certain totals, subtotals and percentages may not reconcile due to rounding. Not applicable ("**N/A**") is used to indicate that the percentage change between the current and comparative figures is not meaningful, or if the percentage change exceeds 1,000%.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the growth, results of operations, performance and business prospects and opportunities of Carebook. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions. As such, undue reliance should not be placed on such forward-looking statements.

The assumptions and important risk factors made in this MD&A that may affect these expectations include, but are not limited to, the factors described particularly in the sections "*Risks and Uncertainties*" and "*Outlook*" , as well as those discussed in greater detail under the heading "*Item 21 – Risk Factors*" of the Company's listing application of which this MD&A is

appended. Such statements include, but are not limited to, assumptions about: competitive environment; operating risks; the Company's management and employees; capital investment by the Company's customers; customer project implementations; liquidity; current global financial conditions; implementation of the Company's commercial strategic plan; credit; potential product liabilities and other lawsuits to which the Company may be subject; additional financing and sources; development of new products; intellectual property and other proprietary rights; acquisition and expansion; foreign currency; interest rates; technology and regulatory changes; internal information technology infrastructure and applications; cyber security; and COVID-19.

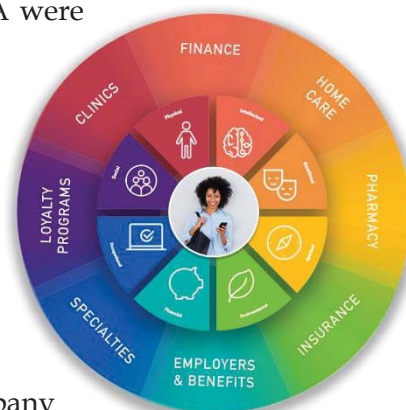
The forward-looking statements herein reflect the Company's expectations as at September 16, 2020, when the Company's Board of Directors approved this document, and are subject to change after this date. The Company undertakes no obligation to update publicly any forward-looking information whether as a result of new information, future events or otherwise other than as required by applicable law.

COMPANY OVERVIEW

Core Business

Carebook was incorporated under the Canada Business Corporations Act on February 12, 2015. The entirety of its revenues for the period covered by this MD&A were generated in Canada, and all its assets are held in Canada.

The Company provides digital health solutions and virtual care for pharmacies, insurance providers, employers, governments and individuals. Through its digital platform, the Carebook ecosystem model connects and empowers businesses and people on their health journey. To do so, the Company has assembled experts in the fields of health, digital engagement, engineering and design along with advisors from the pharmacy industry.



The Company operates in one single reporting segment. The Company however does identify its end-users and platform capabilities in a series of industry "verticals". These market verticals are (1) Pharmacy, (2) Virtual Care, and (3) Insurance.

Each of the three verticals have diversified product offerings, dedicated marketing approaches and tailored features. The primary product offerings by vertical are described as follows:

- ❖ **Pharmacy:** loyalty, medication management and a communication platform for healthcare professionals and patients
- ❖ **Virtual Care:** triage, healthcare management, COVID-19 screening and vitals scanning (2020 development)
- ❖ **Insurance:** remote underwriting, virtual care and personalized health insurance (2020 development)

Strategy and Objectives

On May 1, 2020, the Company launched its pharmacy vertical platform. Carebook expects measures of sales and growth to be: (i) revenue, (ii) number of customer contracts, and (iii) active users. Specific and detailed definitions and targets are being set in order to budget, forecast and evaluate the performance of these measures.

The following are the immediate operating objectives of the Company:

- ❖ Offer an integrated digital health platform that allows healthcare professionals, patients, employers, governments and consumers to obtain digital health solutions.
- ❖ Develop, grow and expand the platform capabilities of the newly-entered insurance vertical.
- ❖ Successfully test and finalize the development of a virtual care platform that addresses the COVID-19 pandemic.
- ❖ Complete a new sales contract with an international pharmacy customer by targeting mid and large-sized chains with both pharmacy and core retail businesses.

Creating Value: Resources and Relationships

To develop its Pharmacy vertical, in 2018 Carebook partnered with Rexall Pharmacy Group Ltd, the operating arm of Rexall Health retail pharmacies of McKesson Canada (“**McKesson**”). Rexall Health is Canada’s second largest pharmacy chain. This relationship has led to establishing the critical customer-facing expertise for the development a leading pharmacy management, loyalty and engagement product.

Key differentiators to Carebook’s product revolve around its ecosystem model. It harnesses digital innovation by using a Software-as-a-Service (“**SaaS**”) licensing model to: i) connect pharmacies, clinics and employers to patients and consumers, ii) support revenue streams from multiple features that are built in a modular fashion, and iii) operate at little or no costs to consumers while providing maximum value to personal health and well-being. This is further coupled with the formation of powerful partnerships, such as that of Rexall Health. The product also integrates modern technological concepts such as gamification, engagement (through loyalty offers and action centers) and eventually, artificial intelligence capabilities.

Personnel and technology are critical to the ultimate success of the Company. The majority of the Company’s staff, including the finance, business development, client and consumer health, and operations work out of leased office space in Montreal. The technology platform is maintained and upgraded by Carebook’s product and technology team at the same office space. This team consists primarily of software developers having specialized technical skills and the knowledge required to develop and maintain the digital health platform. The marketing, privacy, security, and compliance employees are located in British Columbia.

EXECUTIVE SUMMARY

Operating Highlights

The Company’s operating highlights reflect the following major items:

- ❖ The product and business development team are preparing to launch new verticals for both the insurance industry and virtual care.
- ❖ During the first half of the year, the Company received confirmation of certain approved financing and grants. This includes \$215,000 (\$200,000 loan and \$15,000 grant) received from PME MTL Centre-Ville, wage subsidies totaling \$414,950 received from National Research Council of Canada's Industrial Research Assistance Program as indicated below, and a grant of up to \$71,250, less administrative charge of \$7,500, plus taxes from a Quebec nonprofit organization that the company expects to receive in the second half of 2020.
- ❖ As at June 30, 2020, and as at December 31, 2019 and December 31, 2018, the Company posted a working capital deficit, resulting in a total accumulated deficit of \$20.1 million as at quarter-end. The Company is expected to successfully complete the development of its product in the pharmacy vertical, generate anticipated revenues and raise necessary capital to cover near-term losses related to the development of its technology, meet general and administrative expense requirements and fulfill its short-term obligations.
- ❖ Beginning in the first quarter of 2020, a pandemic caused by the spread of a novel strain of coronavirus, COVID-19, has resulted in a general global economic slowdown. Although the Company's existing revenue has not been impacted, new sales activities, business development and global expansion initiatives have been slowed. The Company continues to actively pursue potential clients through various alternative means. Even with the rapidly emerging economic disruptions and impacts from COVID-19, the development of the Company's digital platform has continued as planned with personnel providing services from non-office-based locations.

Since June 1, 2020, the Company has received approximately \$414,950 in payroll reimbursements under the Industrial Research Assistance Program of the National Research Council of Canada, which serves to compensate small and medium size start-up companies to access COVID-19 support funds that are otherwise unavailable.

- ❖ On May 1, 2020 Carebook launched the Rexall Be Well Pharmacy app in Canada on iOS, Android and web-based.
- ❖ On August 7, 2020, the Company and Pike Mountain Minerals Inc. ("**Pike**") entered into a business combination agreement (the "**Business Combination Agreement**"), setting out the terms of a reverse takeover of Pike by Carebook (the "**Transaction**"). Pursuant to the Business Combination Agreement, the parties will complete a business combination involving a "three-cornered" amalgamation of the Company with a wholly-owned subsidiary of Pike that will have the effect of Pike acquiring all of the issued and outstanding common shares in the capital of the Company in exchange for securities in the capital of Pike, and resulting in the reverse takeover of Pike by the Company. Upon closing of the Transaction, the resulting issuer will be renamed "Carebook Technologies Inc." or such other name to be designated by the Company (the "**Resulting Issuer**"), and its shares will be listed on the TSX Venture Exchange.
- ❖ Concurrent with the execution of the Business Combination Agreement, the Company secured private placement financings for aggregate gross proceeds of \$18,330,000 comprised

of (i) the closing on August 7, 2020 of a private placement offering of subscription receipts of the Company for aggregate gross proceeds of \$17,330,000, and (ii) the entering into of subscription agreements with certain members of its board of directors and management team who have agreed to acquire units of the Company prior to closing of the Transaction for aggregate gross proceeds of an additional \$1,000,000 (the “**Private Placement**”).

- ❖ It is expected that approximately \$5,330,000 out of the gross proceeds of the Private Placement will be used to redeem certain shares held by the Company’s existing shareholders with the balance of the net proceeds to be used by the Resulting Issuer to (i) finance sales and marketing efforts and for general corporate purposes and working capital, (ii) repay certain indebtedness, and (iii) pay certain fees and expenses incurred in connection with the listing of the Resulting Issuer’s common shares on the TSXV.

FINANCIAL PERFORMANCE ANALYSIS

The financial information presented in the tables below have been derived from the Company's unaudited condensed interim financial statements prepared in accordance with IFRS for the three-month and six-month periods ended June 30, 2020 and 2019.

Statements of Comprehensive Loss

Change in OCI	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue	\$ 864,150	\$ 1,083,955	\$ 1,843,638	\$ 2,208,506
Expenses				
Labour and employee benefits	1,000,756	1,053,935	2,297,988	2,070,741
Software development costs	130,089	82,124	245,266	170,074
Marketing	7,163	2,715	13,846	5,160
Rent	43,128	26,428	75,651	55,080
Professional fees	278,601	113,909	457,969	123,343
General and administrative	20,531	23,785	41,343	42,667
Travel, team and business development	22,729	31,174	58,146	70,308
Stock-based compensation	2,113,232	-	2,113,232	-
Revenue share expense	6,876	16,737	21,534	16,737
Loss on foreign exchange	-	-	-	30
Depreciation	37,660	35,332	73,510	69,960
Amortization of intangible assets	-	162,500	-	325,000
Gain on embedded derivative	(14,750)	(5,694)	(83,570)	(58,634)
Finance costs	128,073	129,927	256,965	250,466
Total expenses	3,774,088	1,672,872	5,571,880	3,140,932
Net loss	\$ (2,909,938)	\$ (588,917)	\$ (3,728,242)	\$ (932,426)
Basic and diluted loss per share	\$ (0.23)	\$ (0.05)	\$ (0.30)	\$ (0.08)
Weighted average number of basic and diluted common shares	12,560,539	12,244,543	12,560,539	12,244,543

Revenue analysis

Revenue in the second quarter of 2020 was \$864,150 compared, to \$1,083,955 in the corresponding quarter of 2019, a decrease of \$219,805, or 20.3%. Revenue for the six months ended June 30, 2020 was \$1,843,638, compared to \$2,208,506 for the six months ended June 30, 2019. Carebook's total revenue is driven almost entirely by the pharmacy vertical with the decrease primarily attributed to lower development activities related to the pharmacy application following a change in revenue commitment in March 2020. The development of a web-based solution for a client in the pharmacy vertical that generated additional revenue during the first six months of 2019 did not recur in 2020.

Total comprehensive loss analysis

Total comprehensive loss was \$2,909,938 for the three months ended June 30, 2020, compared to a loss of \$588,917 for the three months ended June 30, 2019, a higher loss of \$2,321,021, or 394.1%. The increase in the net and comprehensive losses was almost entirely due to the recognition of the share-based compensation expense pertaining to the stock options resulting from the probable occurrence of the Private Placement. For the six-month period ended June 30, 2020, the total comprehensive loss was \$3,728,242, compared to a net loss of \$932,426 for the comparable period of 2019. In addition to the expense due to share-based compensation, the increase in the

net and comprehensive losses was attributable to higher professional fees and software development costs.

Expense analysis

Total expenses for the three months ended June 30, 2020 were \$3,774,088, compared to \$1,672,872 for the three months ended June 30, 2019. The increase of \$2,101,216, or 125.6%, was due to the recognition of the share-based compensation expense pertaining to the stock options resulting from the probable occurrence of the Private Placement.

Total expenses for the six-month period ended June 30, 2020 were \$5,571,880, compared to \$3,140,932 in the corresponding period of 2019, an increase of \$2,430,948, or 77.4%. The increase is primarily due to the aforementioned share-based compensation expense recorded in the second quarter of 2020, coupled with higher professional fees, labour and employee benefits, and software development costs. Professional fees increased from \$123,343 for the six months ended June 30, 2019, to \$457,969 in the equivalent period of 2020, an increase of \$334,626, resulting from additional recruitment fees and legal fees related to contract negotiations. Software development costs increased by \$75,192, from \$170,074 to \$245,266 for the 6-month periods ended June 30, 2019 and June 30, 2020, respectively, due to an increase in hosting costs to support the shift from development to live operations for the pharmacy solution. Labour and employee benefits increased by \$227,247, from \$2,070,741 to \$2,297,988 for the six month periods ended June 30, 2019 and June 30, 2020, respectively, as employee headcount went from 36 in the first six months of 2019 to 43 in the first six months of 2020, as well as from general salary increases.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Analysis

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Cash flows generated from (used for):				
Operating activities	\$ (617,151)	\$ 185,849	\$ (1,287,220)	\$ (396,656)
Investing activities	(9,170)	(19,371)	(14,263)	(30,139)
Financing activities	337,917	690,047	1,294,945	1,230,339
Net increase (decrease) in cash and cash equivalents	(288,404)	856,525	(6,538)	803,544
Cash and cash equivalents—beginning of year	398,701	37,304	116,835	90,285
Cash and cash equivalents—end of year	<u>\$ 110,297</u>	<u>\$ 893,829</u>	<u>\$ 110,297</u>	<u>\$ 893,829</u>

Operating activities

Net cash used for operating activities totaled \$1,287,220 for the first six months of 2020, compared to \$396,656 for the same period of 2019, an additional usage of \$890,564, or 224.5%.

Net cash used for operating activities before net change in non-cash working capital items totaled \$1,477,891 for the six-month period ended June 30, 2020, compared with \$463,376 for the same period in 2019, an increase of \$1,014,515, or 218.9%. The increase is due primarily to the higher net loss, partially offset by the net impact of non-cash items, notably the share-based compensation expense, partially offset by the amortization of intangible assets.

Changes in non-cash working capital items generated net cash of \$190,671 in the first six months of 2020, compared to \$66,720 in the first six months of 2019. The change is explained primarily by partially offsetting variances in the timing of accounts payable and accrued liabilities and in trade and other receivables.

Investing activities

Net cash used for investing activities for the six-month period ended June 30, 2020 was \$14,263, compared to \$30,139 in the corresponding period of 2019, a decrease of \$15,876, or 52.7%, due to lower purchases of property and equipment.

Financing activities

Net cash generated from financing activities totaled \$1,294,945 for the first six months of 2020, compared to \$1,230,339 in the corresponding period of 2019, an increase of \$64,606, or 5.3%. Cash was generated through non-interest bearing advances from related parties and the issuance of a term loan.

Contractual Obligations

In the normal course of business, the Company has various contractual obligations. The following table provides a summary of Carebook's future contractual commitments specifically related to short-term borrowings and long-term debt repayments:

	Payments due by period as of June 30, 2020			
	Less than 1 year	2 - 3 years years	4 - 5 years years	After 5 years
Contractual obligations	\$ 121,246	\$ 253,850	\$ 268,632	\$ 422,008

The contractual obligations above relate to the contractual payments due under the Company's lease arrangements associated with its office space.

Capital Resources

	As at			
	June 30, 2020	December 31, 2019	\$ Change	% Change
Deficiency	\$ (4,596,621)	\$ (2,981,611)	\$ (1,615,010)	54.2%
Total debt	\$ 8,129,102	\$ 6,521,132	\$ 1,607,970	24.7%

Sources of funding

The Company has financed its development operations and met its capital requirements primarily through revenue from customers, debt financing and equity investments, the details of which are as follows:

Sources of funding	2020	2019
Cash and cash equivalents (as at June 30 and December 31)	\$ 110,297	\$ 116,835
Other sources:		
Debt financing (six months ended June 30)	\$ 1,325,000	\$ 1,250,000
Equity investments (six months ended June 30)	-	-
Total other sources	\$ 1,325,000	\$ 1,250,000

Capital expenditures

Capital expenditures are financed from cash, funds from operations, issuance of share capital, grants & subsidies and debt. Carebook expects that capital expenditures related to the development of its technology and service offerings, recruitment of personnel and expansion of office premises will increase for the year 2020, as the Company will continue to invest in the ongoing development and enhancements to its digital platform including entering the insurance and virtual care verticals.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Computer hardware	\$ 9,170	\$ 19,371	\$ 14,263	\$ 30,139
Total	\$ 9,170	\$ 19,371	\$ 14,263	\$ 30,139

Transaction principal purpose

In addition to the above current sources of funding, the Company anticipates that, as a result of the Transaction, it will have approximately a combined \$6,000,000 in available funds, and coupled with its cash and cash equivalents is expected to have sufficient capital resources to meet its planned growth, to fund development activities and meet all of its working capital requirements and planned capital expenditures for the next twelve months. Furthermore, having repaid a certain portion of its current indebtedness with funds generated from the Transaction, expects, if necessary, to have the ability to raise any additional capital requirements through new debt and/or equity sources.

The following table summarizes the expenditures anticipated by Carebook required to achieve its business objectives during the 12 months following the date hereof:

Principal Purpose	Estimated amount
Secondary Portion	\$ 3,670,000
Fees and expenses payable in connection with the Listing ⁽¹⁾	17,500,000
Repayment of indebtedness	-
Sales and marketing efforts	-
Working capital and general corporate purposes	-
Total	\$ 21,170,000

(1) Includes accounting, TSXV and legal fees.

STATEMENTS OF FINANCIAL POSITION

Working Capital

	As at		\$ Change	% Change
	June 30, 2020	December 31, 2019		
Current assets	\$ 172,415	\$ 178,652	(6,237)	-3.5%
Current liabilities	5,423,451	4,067,616	1,355,835	33.3%
Working capital deficit	\$ (5,251,036)	\$ (3,888,964)	\$ (1,362,072)	35.0%

As at June 30, 2020, the Company had a working capital deficit of \$5,251,036, compared to a working capital deficit of \$3,888,964 as at December 31, 2019. The decrease in working capital of \$1,362,072 was primarily due to costs related to the development of the Company's technology and service offerings and the recruitment of new personnel.

Share Capital

The authorized share capital of Carebook consists of an unlimited number of Carebook Shares. As of the date hereof, there are 12,746,733 common shares and 2,250,000 preferred shares issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

RELATED PARTY TRANSACTIONS

The Company discloses information on its related party transactions, as defined in IAS 24, Related party disclosures, in Note 2 to its 2019 Financial Statements.

Related party transactions that took place during 2020 were limited to changes to the balances of 'Advances to a shareholder' and 'Advances due to related parties', all of which were concluded in the normal course of its operations.

From time to time, the Company receives short-term advances from certain related parties to cover short-term liquidity needs. As at June 30, 2020 and December 31, 2019, advances due to related parties totaled \$1,974,997 and \$849,997, respectively. Advances due to related parties are classified as and measured at amortized cost using the effective interest method

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period; however, uncertainty about these assumptions and estimates could result in outcomes that

require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in detail in Note 2 to the Financial Statements of the interim financial statements for the six months ended June 30, 2020 included elsewhere within the listing application.

CHANGES IN ACCOUNTING POLICIES

Please refer to Note 2 of the Company's 2020 unaudited condensed interim financial statements for more information regarding the Company's significant accounting policies and changes.

RISKS AND UNCERTAINTIES

The Company is subject to certain risks and uncertainties in carrying out its activities. Carebook has measures in place to identify, monitor and, to a certain extent, mitigate such risks and uncertainties. Such measures include, among others, creating and marketing a viable software product for sale and distribution, the work performed by the Board and management levels, as well as the enforcement of numerous policies and procedures. Additional risks not currently known or that the Company currently believes are immaterial may also impair its business, results of operations, financial condition and liquidity.

Risks related to the Company's Operations

Dependence on third parties

The Company's contract with McKesson is a material contract to the Company. As such, the Company may place additional reliance on McKesson than it would on other clients. If for any reason McKesson experiences financial difficulties or finds it difficult to obtain sufficient financing to fund its own operations, there is no assurance that they will be able to continue the partnership with Carebook's business. These risks may be intensified during an economic downturn.

Information systems and data

The integrity, reliability and security of information in all forms are critical to the Company's daily and strategic operations. Despite the Company's efforts to create security barriers, the Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks, security breaches and/or technological malfunctions affecting the Company or its products or services can result in, among other things, litigation, governmental audits or investigations, financial penalties or losses, unauthorized release of customer information or confidential information, loss of confidence in the Company's products and services and significant reputational risk, each of which could adversely affect its business, financial condition and results of operations.

Qualified and key personnel

The success of the Company is dependent on its workforce and its ability to recruit and retain key personnel in a competitive work environment. The experience and expertise of the Company's management team and its skilled product development and technical personnel are critical to successfully executing its business strategy.

Risks related to the Company's liquidity, capital resources and financial position

Market risk

Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments held by the Company and that are subject to variable rates will fluctuate, or the cash flows associated with such instruments will be impacted due to changes in market interest rates. The Company's interest rate risk arises principally from its amended term note with National Bank of Canada at an annual interest rate of the prime rate plus 3.25% with a principal amount of \$2,500,000 maturing on December 31, 2020 (the "**Term Note**"). Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash and cash equivalents deposits (including short-term investments) earning interest at variable interest rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company is exposed to changes in interest rates on the Company's outstanding indebtedness under the Term Note. A hypothetical 100 basis point increase in interest rates from the June 30, 2020 level would have had an impact on interest expense of \$11,296 during the first half of 2020. The Company does not currently intend to enter into floating-to-fixed interest rate swaps to hedge floating interest rate exposure under the Term Note.

Foreign exchange risk

The Company has minimal risk attributable to certain U.S. dollar-denominated transactions pertaining to purchases of products and services. The Company manages its exposure to currency fluctuations by monitoring its level of cash in foreign currencies. Management did not hedge these exposures as at June 30, 2020.

Credit risk

Credit risk pertains to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk with financial institutions and other parties as a result of cash-in-bank and customer trade receivables arising from the Company's operating activities. The maximum exposure to credit risk at the reporting date was the carrying value of each class of financial asset as described in Note 11 of the second quarter 2020 unaudited condensed interim financial statements. The Company did not hold any collateral as security.

Liquidity risk

The capital structure of the Company included shareholders' equity (deficit) and borrowings. Management's overriding objectives when managing capital are to have sufficient liquidity to meet its liabilities when due, safeguard the business as a going concern, and create value through market growth and future returns. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. The Company is not subject to any externally imposed capital requirements.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect the Company's forward-looking statements. The Company's business is subject to certain risks and uncertainties. Readers are encouraged to review and carefully consider the risk factors discussed under the heading "*Item 21 – Risk Factors*" of the Company's listing application of which this MD&A is appended.

OUTLOOK

- ❖ The digital health market is growing rapidly, driven by a comprehensive transformation in how patient care is being delivered, and an evolution in the application of digital solutions to a broader set of customers and industries. In particular, the pharmacy and insurance industries have a need for innovation in the area of digital health making them ripe for disruption and new entrants. Carebook leverages its medical and engagement expertise across a core technology platform in order to address these opportunities. The Company began by focusing on the pharmacy vertical by securing an anchor customer and have expanded that platform into the insurance and virtual care markets. The Company allows its clients to create a digital presence and stay relevant with their customers.
- ❖ The company has remained operationally stable during the COVID-19 pandemic, with minimal impact on current revenue and employees. The Company's principal customer, which is in the pharmacy vertical, has not been broadly affected by COVID-19 in a manner that would negatively impact the Company. The pandemic caused some disruption to the Company's business development and global expansion initiatives for the pharmacy vertical. Revenue expectations in the insurance vertical have not been affected by COVID-19. The pandemic has also prompted the development of the Company's third vertical, virtual care. Therefore, notwithstanding any additional changes in the general economic environment due to the pandemic, the overall financial impact on the Company is expected to be a positive one. While the Company cannot predict with certainty the effect and ongoing spread of COVID-19, management does not expect it will impact the Company's ability to meet financial and other reporting disclosure requirements on a timely basis.
- ❖ Carebook is currently building a growing pipeline of opportunities as it relates to the pharmacy, insurance, and virtual care verticals. The Company's approach for the pharmacy and insurance verticals is similar. Its focus has been to enter each market with a Canadian anchor client and develop a tailored digital platform by vertical, which can then be rebranded and offered to similar clients in other countries. Growth opportunities are identified through global market research and customer segmentation, and both rely on a SaaS business model plus development fees for customization and integration. The

Company's approach to the virtual care segment relies on integration of a third-party technology. The Company pursues growth opportunities by identifying different markets through product diversification such as patient triage, patient monitoring and back-to-work solutions. The virtual care vertical revenue model relies on SaaS plus customization fees. There remains some uncertainty regarding the speed at which these verticals and new customers can be integrated and launched, which could potentially delay the recognition of future revenues, thereby impacting the financial performance of Carebook.

APPENDIX E
Unaudited Condensed Interim Consolidated Financial Statements
for the three and six months ended June 30, 2020 and 2019
of Carebook Technologies Inc.

See attached.

JUNE 30, 2020

CAREBOOK TECHNOLOGIES INC.

QUARTERLY FINANCIAL STATEMENTS

CAREBOOK TECHNOLOGIES INC.

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2020 AND
DECEMBER 31, 2019 AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019**

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CAREBOOK TECHNOLOGIES INC.
CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019

		Three Months Ended June 30,		Six Months Ended June 30,	
	Note	2020	2019	2020	2019
Revenue	3	\$ 864,150	\$ 1,083,955	\$ 1,843,638	\$ 2,208,506
Expenses					
Labour and employee benefits	4	1,000,756	1,053,935	2,297,988	2,070,741
Software development costs		130,089	82,124	245,266	170,074
Marketing		7,163	2,715	13,846	5,160
Rent		43,128	26,428	75,651	55,080
Professional fees		278,601	113,909	457,969	123,343
General and administrative		20,531	23,785	41,343	42,667
Travel, team and business development		22,729	31,174	58,146	70,308
Stock-based compensation		2,113,232	-	2,113,232	-
Revenue share expense		6,876	16,737	21,534	16,737
Loss on foreign exchange		-	-	-	30
Depreciation		37,660	35,332	73,510	69,960
Amortization of intangible assets		-	162,500	-	325,000
Loss from operations		(2,796,615)	(464,684)	(3,554,847)	(740,594)
Gain on embedded derivative	11	(14,750)	(5,694)	(83,570)	(58,634)
Finance costs	2	128,073	129,927	256,965	250,466
Net loss		\$ (2,909,938)	\$ (588,917)	\$ (3,728,242)	\$ (932,426)
Total comprehensive loss		\$ (2,909,938)	\$ (588,917)	\$ (3,728,242)	\$ (932,426)
Basic and diluted loss per share	2	\$ (0.23)	\$ (0.05)	\$ (0.30)	\$ (0.08)
Weighted average number of basic and diluted common shares	2	12,560,539	12,244,543	12,560,539	12,244,543

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

CAREBOOK TECHNOLOGIES INC.
CONDENSED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2020 AND DECEMBER 31, 2019

	Note	June 30, 2020	December 31, 2019
Current assets			
Cash and cash equivalents	5	\$ 110,297	\$ 116,835
Trade and other receivables	6	-	3,519
Prepaid expenses		62,118	58,298
Total current assets		172,415	178,652
Non-current assets			
Property and equipment, net		374,808	407,711
Right-of-use leased asset	8	496,052	356,550
Goodwill		4,370,000	4,370,000
Advance to shareholder		10,000	10,000
Total non-current assets		5,250,860	5,144,261
Total assets		\$ 5,423,275	\$ 5,322,913
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 580,604	\$ 339,765
Contract liabilities	3	283,466	333,333
Advances due to related parties		1,974,997	849,997
Lease liabilities	8	57,901	44,521
Term note payable	9	2,500,000	2,500,000
Term loan	9	26,483	-
Total current liabilities		5,423,451	4,067,616
Non-current liabilities			
Lease liabilities	8	704,993	584,090
Long-term debt	9	2,216,891	2,180,524
Accrued interest	9	474,320	362,000
Term loan	9	173,517	-
Derivative liability	11	1,026,724	1,110,294
Total non-current liabilities		4,596,445	4,236,908
Total liabilities		10,019,896	8,304,524
Shareholders' equity (deficit)			
Share capital		8,115,686	8,115,686
Contributed surplus		7,352,834	5,239,602
Accumulated deficit		(20,065,141)	(16,336,899)
Total shareholders' deficit		(4,596,621)	(2,981,611)
Total liabilities and shareholders' equity		\$ 5,423,275	\$ 5,322,913

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

CAREBOOK TECHNOLOGIES INC.
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT) (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019

	Share capital	Contributed surplus	Accumulated deficit	Total shareholders' (deficit) equity
As at December 31, 2018	\$ 7,012,544	\$ 5,239,602	\$ (13,222,984)	\$ (970,838)
Net loss	-	-	(932,426)	(932,426)
As at June 30, 2019	<u>\$ 7,012,544</u>	<u>\$ 5,239,602</u>	<u>\$ (14,155,410)</u>	<u>\$ (1,903,264)</u>
As at December 31, 2019	\$ 8,115,686	\$ 5,239,602	\$ (16,336,899)	\$ (2,981,611)
Net loss	-	-	(3,728,242)	(3,728,242)
Stock-based compensation	-	2,113,232	-	2,113,232
As at June 30, 2020	<u>\$ 8,115,686</u>	<u>\$ 7,352,834</u>	<u>\$ (20,065,141)</u>	<u>\$ (4,596,621)</u>

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

CAREBOOK TECHNOLOGIES INC.
CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019

	Note	Six Months Ended June 30,	
		2020	2019
Cash flows from (used in) operating activities			
Net loss		\$ (3,728,242)	\$ (932,426)
Adjustments:			
Stock-based compensation		2,113,232	-
Depreciation		73,510	69,960
Amortization of intangible assets		-	325,000
Gain on embedded derivative	11	(83,570)	(58,634)
Accretion of long-term debt		36,368	28,724
Accretion of lease liability		2,094	-
Interest expense		218,503	221,742
Interest paid		(109,786)	(117,742)
Changes in non-cash working capital:			
Trade and other receivables		3,519	91,317
Prepaid expenses		(3,820)	(19,832)
Accounts payable and accrued liabilities		240,839	(4,765)
Contract liabilities		(49,867)	-
Net cash from (used in) in operating activities		(1,287,220)	(396,656)
Cash flows used in investing activities			
Purchases of property and equipment		(14,263)	(30,139)
Net cash used in investing activities		(14,263)	(30,139)
Cash flows from (used in) financing activities			
Issuance of advances due to related parties		1,125,000	1,250,000
Payments of principal on lease liabilities	8	(22,555)	(19,661)
Lease inducements and prepayments, net		(7,500)	-
Issuance of term loan	9	200,000	-
Net cash from financing activities		1,294,945	1,230,339
Net increase in cash and cash equivalents		(6,538)	803,544
Cash and cash equivalents—beginning of period		116,835	90,285
Cash and cash equivalents—end of period		\$ 110,297	\$ 893,829

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

CAREBOOK TECHNOLOGIES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(UNAUDITED)

NOTE 1 — General Information

Carebook Technologies Inc. (the “Company” or “Carebook”) was incorporated on February 12, 2015 under the *Canada Business Corporations Act*. The Company has developed and is commercializing a mobile health management system for individuals, their families, pharmacies, employers, and clinics. The Company’s ultimate controlling party is MedTech Investment, L.P. The executive and registered office of the Company is situated at 1400-2045 rue Stanley, Montréal, Québec, Canada, H3A 2V4.

NOTE 2—Summary of Significant Accounting Policies

2.1. Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements, including IAS 34, “*Interim Financial Reporting*”, effective as at and for the six-month period ended June 30, 2020.

2.2. Basis of presentation and going concern

Basis of presentation

The Company’s annual audited financial statements as at December 31, 2019 and 2018 and January 1, 2018 and for the years ended December 31, 2019 and 2018 (“2019 Annual Report”) were the first financial statements prepared in accordance with IFRS 1, “*First-time Adoption of International Financial Reporting Standards*” (“IFRS 1”). An explanation of the effect of the transition to IFRS was provided in NOTE 19 – IFRS 1 Transition of the Company’s 2019 Annual Report.

The Board of Directors of the Company approved the condensed interim financial statements for the three and six months ended June 30, 2020 and 2019, and authorized their publication on September 16, 2020. These condensed interim financial statements have been prepared in accordance with the following significant accounting policies that have been applied consistently to all the periods presented throughout these condensed interim financial statements. The Company operates in a single reporting segment. All revenues were principally generated in Canada during the periods covered herein. All non-current assets are held in Canada.

The Company’s financial position, cash flows, liquidity position, and borrowing facilities are described in the condensed interim financial statements in NOTE 5 — Cash and Cash Equivalents, NOTE 9 — Borrowings, and NOTE 12 — Risk Management.

Going concern

The condensed interim financial statements are prepared on the assumption that the Company is a going concern and will continue to operate for the foreseeable future. The going-concern basis assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

As at June 30, 2020 and December 31, 2019, the Company had a working capital deficit of \$5.3 million and \$3.9 million, respectively. The Company has incurred significant operating losses and negative cash flow from operations, resulting in an accumulated deficit of \$20.1 million as at June 30, 2020. The Company has incurred significant costs related to the development of its technology and service offerings, recruitment of personnel and establishment of a market for the Company’s services. The Company expects to incur further losses in the development of its business in the near-term, and, given the funds required for its monthly burn rate, the Company’s working capital may be insufficient to meet its obligations.

The going concern expectation is based on certain assumptions and estimates such as the ability of the Company to successfully complete the development of its solution, generate revenue from current and prospective customers, meet general and administrative expense requirements, and the ability of the Company to raise capital through equity issuances or obtain debt financing. During 2018, the Company signed a five-year software development contract; however, licensing and other revenue streams are still being developed, and there is no guarantee future revenue will generate sufficient income to offset operating expenses.

In March 2020, the World Health Organization (“WHO”) declared COVID-19 a pandemic. In response to the WHO declaration and continuing spread of COVID-19, several social distancing measures were taken by the Company

CAREBOOK TECHNOLOGIES INC.
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FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(UNAUDITED)

and third parties including governments, regulatory authorities, businesses, and customers that could negatively impact the Company's operations and financial results in future periods. Given the unprecedented and pervasive impact of changing circumstances surrounding the COVID-19 pandemic, there is inherently more uncertainty associated with future operating assumptions and expectations as compared to prior periods.

The pandemic caused by the spread of a novel strain of coronavirus, COVID-19, has resulted in no negative impact on the Company's existing revenue. However, the broad economic slowdown due to COVID-19 has impacted the Company's business development and global expansion initiatives. While the Company remains in active conversations with potential clients globally, the travel bans, cancelled trade shows/conferences, and other impacts of COVID-19 have slowed the Company's sales activities. Additionally, potential clients have lengthened their sales cycle, as they focus on dealing with COVID-19.

While the Company has been successful in securing financing in the past as described in NOTE 9 - Borrowings, the raising of additional funds is dependent on several factors outside the Company's control and largely unknown particularly due to the state of the global economy as a result of the COVID-19 pandemic. As such, there can be no assurance that these initiatives will be successful or sufficient. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Furthermore, management received confirmation of certain approved financing and subsidies during the first half of 2020 and continues to evaluate the Company's eligibility with respect to various subsidies recently made available by the Canadian government to businesses, which is expected to provide additional sources of cash flow to the Company in 2020 and 2021.

These condensed interim financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and condensed statements of financial position classifications that would be necessary if the going concern assumption was determined to be inappropriate. Additionally, these adjustments could be material.

2.3. New standards and interpretations not yet mandatorily applicable

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform

In September 2019, the IASB has amended some of its requirements to address the uncertainty arising from the phasing out of interest-rate benchmarks such as interbank offered rates (IBORS). The amendments issued focused on the accounting effects of uncertainty in the period leading up to the reform. The IASB is also working on the potential consequences to financial reporting of replacing an existing benchmark with an alternative. The amendments impact IFRS 9 Financial instruments, IAS 39 Financial instruments: Recognition and measurement and IFRS 7 Financial instruments: Disclosures. The Company adopted these amendments on January 1, 2020 and determined there was no impact on its condensed interim financial statements.

2.4. Principles governing the preparation of the condensed interim financial statements

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements unless otherwise indicated.

These condensed interim financial statements include all of the assets, liabilities, equity, revenues, expenses, and cash flows of Carebook.

Basis of measurement

The condensed interim financial statements are prepared under the historical cost basis unless otherwise noted in these condensed interim financial statements.

Cash-generating units

The reporting unit, corresponding to the Company's sole operating site and the lowest level of the Company's internal reporting, has been identified as its cash-generating unit.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated for balance sheet accounts using exchange rates in effect as at each balance sheet date and for revenue and expense accounts using an average exchange rate each month during the year. Non-monetary assets and liabilities are translated at historical exchange rates. Foreign exchange gains or losses that relate to these commercial transactions are included in the condensed statements of loss

CAREBOOK TECHNOLOGIES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(UNAUDITED)

and comprehensive loss based on the type of transaction. Currently, the Company does not engage in derivative contracts to mitigate its foreign exchange risk.

Revenue recognition

Contracts with the Company's customers generally represent software licenses and related software development.

The Company provides services and products under arrangements that contain various pricing mechanisms. The Company accounts for a contract or a group of contracts when the following criteria are met: the parties to the contract have approved the contract in which their rights, their obligations and the payment terms have been identified, the contract has commercial substance, and the collectability of the consideration is probable.

A contract modification is a change in the scope or price of an existing revenue-generating customer contract. The Company accounts for a contract modification as a separate contract when the scope of the contract increases because of the addition of promised performance obligations and the price of the contract increases by an amount of consideration that reflects its standalone selling prices. When the contract is not accounted for as a separate contract, the Company recognizes an adjustment to revenue on the existing contract on a cumulative catch-up basis as at the date of the contract modification or, if the remaining goods and services are distinct, the Company recognizes the remaining consideration prospectively.

Revenue is recognized when or as the Company satisfies a performance obligation by transferring a promise of good or service to the customer and are measured at the amount of consideration the Company expects to be entitled to receive, including variable consideration, such as, discounts, volume rebates, service-level penalties, and incentives. Variable consideration is estimated using either the expected value method or most likely amount method and is included only to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur. In making this judgement, management will mostly consider all information available at the time (historical, current, and forecasted), the Company's knowledge of the client or the industry, the type of services to be delivered and the specific contractual terms of each arrangement.

If an arrangement involves the provision of multiple performance obligations, the total arrangement value is allocated to each performance obligation based on its relative stand-alone selling price. When estimating the stand-alone selling price of each performance obligation, the Company—whenever possible—identifies and uses observable prices, which are established using the Company's prices for the same or similar deliverables. When observable prices are not available, the Company estimates stand-alone selling prices based on its best estimate. The best estimate of the stand-alone selling price is the price at which the Company would normally expect to offer the services or products and is established by considering a number of internal and external factors including, but not limited to, geographies, the Company's pricing policies, internal costs, and margins. Additionally, in certain circumstances, the Company may apply the residual approach when estimating the stand-alone price of software license products and development services, for which the Company has not yet established a market price or has not previously sold on a stand-alone basis.

Performance obligations in the Company's contracts generally consist of licensing of software as a service provided to customers and long-term software development activities. Revenue is recognized over time for annual software licenses and development services, as customers simultaneously receive and consume the benefits as the Company performs, the customer controls the service as it is created or enhanced, and the Company has an enforceable right to payment for performance completed to date. For a certain development arrangement, the Company primarily uses budgeted costs, primarily directly-related labour costs or labour hours, to measure the progress towards completion. This method relies on estimates of total expected costs to complete the service, which are compared to costs incurred to date, to arrive at an estimate of the percentage of revenue earned to date. Factors considered in the estimates include: changes in scope of the contracts, delays in reaching milestones, complexities in project delivery, availability and retention of qualified information technology professionals, and/or the ability of the subcontractors to perform their obligation within agreed upon budget and timeframes. Management regularly reviews underlying estimates of total expected costs.

There is not a significant length of time between invoicing and when payment is due; hence, none of the Company's contracts contained terms that would result in the existence of a significant financing component. The Company's standard terms of payment for most customers are typically 30 days after invoicing, while certain development services are paid to the Company in advance of the contracted services.

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Amounts received in advance of the performance of services are classified as contract liabilities. Refer to NOTE 3 – Revenue for details on the Company’s contract liabilities.

All of the Company’s sales are from two service groups (software licenses and software development) and to two customer types (healthcare providers and suppliers) within the same geographic area (Canada). Contract types, contract duration and sales channels are also consistent. Therefore, management believes that disaggregation of revenue by service offerings to customers would provide additional insight into the future recognition of revenue and cash flows. Refer to NOTE 3 – Revenue.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. At the end of each reporting period, the Company revises its estimate of the number of awards expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the supplier.

Finance costs

Interest expense on short- and long-term financing is recorded at the relevant rates on the various borrowing agreements. The components of finance costs within the condensed statements of loss and comprehensive loss were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Finance costs				
Term note payable	\$ 32,939	\$ 42,220	\$ 73,740	\$ 83,521
Long-term debt	78,562	70,127	148,688	132,724
Interest expense on lease liabilities	15,371	16,100	31,644	32,444
Term loan	-	-	1,692	-
Other	1,201	1,480	1,201	1,777
Total finance costs	\$ 128,073	\$ 129,927	\$ 256,965	\$ 250,466

Grants and incentives

The Company is provided certain government grants and other incentives through programs offered by the Canadian federal government, Quebec provincial government, local agencies, and investment funds. The programs vary by requirements and conditions—including capital investments, minimum headcount, employee wages levels, location, and certain research and development activities, among other criteria—and incentives provided, such as cash refunds, tax abatements, and specialized funding. Depending on the nature of the programs and the form of consideration given, the Company recognizes the benefits upon compliance with the relevant program requirements and assurance of receipt. Most consideration received is netted against the applicable expense (e.g., labour and employee benefits, software development costs, etc.) in the condensed statements of loss and comprehensive loss.

In response to the COVID-19 pandemic, certain governmental and regulatory bodies, as well as local business development funds, have provided grants and other subsidies for businesses based on meeting specific criteria and in support of particular initiatives, including maintaining employment thresholds and development within certain industries. The Company has endeavored to attain subsidies related to COVID-19 measures, as well as other business and industry incentives, for which it qualifies.

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In April 2020, the Company was approved for a joint grant with a third party technology firm for a patient-centric artificial intelligence research project, whereby certain admissible project expenses will be reimbursed to the companies by the grantor—a Quebec nonprofit organization—up to \$285,000. The Company's maximum potential reimbursements would equal \$142,500 for project expenses. As at June 30, 2020, the Company has not received any funds under this program.

Income taxes

The Company is subject to income taxes in Canada and certain provinces therein. The Company follows the liability method of accounting for income taxes. Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases. This approach also requires the recognition of deferred income tax assets for operating loss carryforwards and tax credit carryforwards.

The effect on deferred tax assets and liabilities of a change in tax rates and laws is recognized as income tax benefit (expense) in the year when the rate change is substantively enacted. Deferred income tax assets and liabilities are measured using tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and laws that have been enacted or substantively enacted at the date of the condensed statements of financial position. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Investment tax credits

The Company incurs research and development expenditures, which are eligible for investment tax credits. The recorded investment tax credits are based on management's estimates expected to be recovered and are subject to audit by taxation authorities.

Investment tax credits for research and development are reflected as a reduction in the cost of the assets or expenses to which they relate. In 2019, tax credits relating to 2017 were recorded in the amount of \$20,426. In June 2020, tax credits relating to 2018 were recorded in the amount of \$26,468. The amounts of expected recovery in connection with 2019 activities have not been accrued due to uncertainty around amounts expected to be recovered.

Property and equipment

Recognition and measurement

Property and equipment acquired by the Company are recorded at cost, which comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to the initial recognition, property and equipment are measured at cost less accumulated depreciation and impairment, if any.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the assets and are recognized within the condensed statements of loss and comprehensive loss.

Subsequent costs

Enhancements and replacements are capitalized as additions to property and equipment only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured with reliability. Ongoing regular maintenance costs related to property and equipment are expensed as incurred.

Depreciation

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

- Leasehold improvements – The lesser of the useful life of the asset or the term of the lease;
- Furniture and office equipment – 5 years; and
- Computer equipment – 3 years.

Intangible assets

Recognition, measurement, and amortization

Certain costs related to intellectual property developed and/or acquired were recognized and recorded at cost. These

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intangible assets are amortized on a straight-line basis over estimated finite useful lives of three years. Amortization expense for intangible assets are recorded in the condensed statements of loss and comprehensive loss.

Expenditures related to research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the condensed statements of loss and comprehensive loss as incurred, net of related tax credits.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Costs incurred on development projects are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete and use the intangible asset;
- There is an ability to use the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

These criteria are not all currently met and as such development expenditures have been expensed as incurred, net of related tax credits.

Impairment tests for property and equipment and intangible assets

Property and equipment and finite life intangible assets subject to amortization are reviewed for impairment if there is any indication that the carrying amount of the asset (or cash-generating unit to which it belongs) may not be recoverable. The recoverable amount is based on the higher of fair value less cost of disposal and value-in-use, which is determined using estimates of discounted future net cash flows of the asset or group of assets to which it belongs.

No impairment losses have been recognized in the condensed statements of loss and comprehensive loss.

Goodwill

Recognition and measurement

Goodwill represents the excess of the consideration transferred to the previous owners over the fair value of the net identifiable assets of the acquired businesses.

Impairment tests for goodwill

Goodwill is measured at cost less accumulated impairment losses. Impairment testing is performed annually or whenever events or circumstances indicate that goodwill might be impaired. The net carrying amount of the cash generating unit is compared to the recoverable amount, which is the higher of the value-in-use and the fair value less cost of disposal. An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

Value-in-use calculations use cash flow projections based on financial budgets approved by management and usually covering a five-year period. Cash flows beyond this period are estimated using a perpetual long-term growth rate for the subsequent years. The value-in-use is the sum of discounted cash flows over the projected period and the terminal value. Discount rates are determined based on the weighted-average cost of capital of the Company.

The fair value represents the price that would be received for the cash-generating unit, in an orderly transaction, from a market participant. This value is estimated on the basis of available and relevant market data or a discounted cash flow model reflecting market participant assumptions.

Any impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to the carrying amount of the other assets of the Company on a pro rata basis.

No impairment losses have been recognized in the condensed statements of loss and comprehensive loss.

Financial instruments

Financial instruments are classified into several categories, as discussed below: amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVPL"). Only loans, receivables, investments in debt instruments and other similar assets can qualify for measurement at amortized cost or FVOCI. The critical issues in these assessments are whether:

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- The objective of the entity's business model is to hold assets only to collect cash flows, or to collect cash flows and to sell (the "Business Model Test"), and
- The contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest on the principal amount outstanding (the "SPPI Test").

The Business Model Test may be performed at the portfolio level. If the Business Model Test is met, the designation of the instrument will generally be as amortized cost. If the SPPI test is met (as may be the case with securitization of receivables), then the asset is measured at FVOCI. The unrealized gains and losses, net of applicable income taxes, on financial assets designated as measured at FVOCI are reported in other comprehensive loss. However, interest income earned and realized gains and losses on the sale of financial assets measured at FVOCI are recorded in the net income (loss).

Impairment on financial instruments classified as amortized cost or FVOCI are determined using the expected credit loss model, which is a measure of credit risk, and considers that credit losses may be established on Day 1 of the recognition of a financial instrument asset using probability-weighted outcomes. Expected credit losses are calculated by: (a) identifying scenarios in which a loan or receivable defaults; (b) estimating the cash shortfall that would be incurred in each scenario if a default were to happen; (c) multiplying that loss by the probability of the default happening; and (d) summing the results of all such possible default events.

Financial instruments may be designated on initial recognition as FVPL if any of the following criteria are met: i) embedded derivatives that are clearly and closely related, if the host contract is measured in FVPL; ii) the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring the financial asset or liability or recognizing the gains and losses on them on a different basis; or iii) the financial asset and financial liability are part of a group of financial assets or liabilities that is managed and its performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Gains and losses related to periodic revaluations of financial assets and liabilities designated as FVPL are recorded in net income (loss).

(i) Classification and measurement

Financial assets and liabilities are recognized when the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are classified either at: (a) amortized cost, (b) FVOCI, or (c) FVPL. The classification depends on the contractual cash flow characteristics of the financial asset and the Company's business model for managing the financial assets. The classification of financial assets is determined at initial recognition. Upon initial recognition, financial assets are measured at fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, when the contractual right to receive the cash flows is transferred or when the contractual rights to receive the cash flows are retained but the Company assumes a contractual obligation to pay the cash flows to one or more recipients.

Long-term debt is recognized initially at fair value, net of transaction costs incurred and directly attributable to the issuance of the liability. These financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Transaction costs relating to long-term debt are amortized in finance costs in the condensed statements of loss and comprehensive loss.

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the condensed statements of loss and comprehensive loss using the effective interest rate method.

Based on initial classification, financial assets and liabilities are thereafter measured at fair value or amortized cost.

The classification of financial instruments held by the Company is as follows:

- Derivatives not designated in hedge relationships that qualify for hedge accounting in accordance with IAS 39, "*Financial Instruments*" ("IAS 39"), are classified and subsequently measured at FVPL and measured at their fair value determined upon available market data. Profit or losses on derivatives are recorded in loss (gain) in embedded derivative in the condensed statements of loss and comprehensive loss.

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- Cash and cash equivalents, trade receivables, and advance to shareholder are classified as and subsequently measured at amortized cost using the effective interest method. These financial assets are held within a business model whose objective is to hold the assets in order to collect contractual cash flows provided they give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding and are carried at amortized cost using the effective interest rate method, less any impairment. These assets are classified as current or non-current assets based on their maturity date.
- Trade payables, advances due to related parties, term note payable, term loan, and long-term debt are classified as and subsequently measured at amortized cost using the effective interest method.

(ii) Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired and whether the credit risk on a financial asset has increased significantly since initial recognition.

(iii) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Relevant market prices are used to determine fair values where available.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the condensed statements of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Leases

Right-of-use assets

The Company recognizes right-of-use ("ROU") assets at the commencement date of the lease. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for remeasurement of lease liabilities resulting from a change in future lease payments arising from a change in an index or a rate, or a change in the assessment of whether the purchase, extension or termination options will be exercised.

The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes a lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the implicit interest rate in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and which do not contain a purchase option. The Company also applies the low-value asset recognition exemption to leases of assets with a value below \$5,000. Lease payments on short-term leases and low-value asset leases are recognized as expense on a straight-line basis over the lease term.

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Convertible debt

Financial instruments issued by the Company comprise convertible debt that can be converted to share capital based on the occurrence of certain events, and the number of shares to be issued can vary with changes in their fair value.

The liability component of the convertible debt is recognized initially at the fair value of a similar liability that does not have an equity conversion option.

The equity component is considered an embedded derivative since its economic characteristics and risks are not fixed or closely related to those of the host instrument. Embedded derivatives are treated as a separate derivative. The equity conversion options are measured at fair value as a liability with subsequent changes in fair value recognized in the condensed statements of loss and comprehensive loss.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. Subsequent to the issuance in 2018, the Company has revalued the embedded derivative component at each reporting period in accordance with IFRS.

Interest, dividends, losses, and gains relating to the financial liability are recognized in the condensed statements of loss and comprehensive loss. Distributions to the equity holders are recognized in equity, net of any tax benefit.

Trade Receivables

Recognition and measurement

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provisions for impairment.

Impairment

An impairment allowance of trade receivables is established at the time of the sales transaction based on objective evidence of lifetime expected credit losses ("ECL"), which is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive discounted at the original effective interest rate. Because ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due. The Company employs a provision matrix based on trade receivables of similar characteristics and credit quality of the customer. The probabilities of ECL are calculated using historical experience and forecasts of future economic conditions applied to the receivables based on categories within its aging schedule. The expense (income) related to the increase (decrease) of the impairment allowance is recognized in the condensed statements of loss and comprehensive loss, and subsequent recoveries of amounts previously written off are credited in the condensed statements of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in bank accounts and on hand, short-term deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, less bank overdrafts that are repayable on demand, provided there is a right of offset.

Trade payables

Trade payables are initially recorded at fair value and classified as current liabilities if payment is due in one year or less.

Provisions

Provisions are recorded for the best estimate of expenditures required to settle liabilities of uncertain timing or amount when management determines that a legal or constructive obligation exists as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and such amounts can be reasonably estimated. Provisions are measured at the present value of the expected expenditures to be required to settle the obligation.

The ultimate cost to settle such liabilities is at times uncertain, and cost estimates can vary in response to many factors. The settlement of these liabilities could materially differ from recorded amounts. In addition, the expected timing of expenditures can also change. As a result, there could be significant adjustments to provisions, which could result in additional charges or recoveries affecting future financial results.

A provision for loss-making (onerous) contracts is recognized when the unavoidable costs of meeting the obligations

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under the contract exceed the economic benefits expected to be received by the Company under those contracts. The Company has considered the least net costs of exiting any loss-making contracts and has assessed the profitability (revenue net of unavoidable costs) of the contracts over their lifetime. The Company did not record any provisions for onerous contracts as at June 30, 2020 and December 31, 2019.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Fair value measurements

Fair value accounting guidance establishes a framework for measuring fair value and expands disclosure about fair value measurements. The framework is intended to enable the reader of the condensed interim financial statements to assess the inputs used to develop those measurements by establishing the hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value hierarchy consists of three broad levels described below:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted market prices that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs that are both significant to the fair value measurement and unobservable.

Earnings per share

Basic earnings per share is calculated by dividing net loss by the basic weighted-average number of outstanding common shares.

The Company has two categories of potential dilutive securities: stock options and the Convertible Debt. Diluted loss per share excludes all dilutive potential shares if their effect is anti-dilutive. As a result of net losses incurred, all potentially dilutive securities have been excluded from the calculation of diluted loss per share because including them would be anti-dilutive; therefore, basic and diluted number of shares is the same at each reporting period. All outstanding stock options and the Convertible Debt could potentially dilute loss per share in the future.

Related party transactions

Transactions with related parties that are executed in the normal course of operations are recorded at fair value.

Segment reporting

The Company reports segment information in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the Company's operating segments. The Company operates as a single reportable segment.

Presentation of condensed interim financial statements

The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency, and are rounded to the nearest dollar.

2.5. Judgments in applying accounting policies and key sources of estimation uncertainty

Certain amounts included in the condensed interim financial statements involve the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience. However, actual results may differ from the amounts included in the condensed interim financial statements. Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the items presented below.

Assessment of revenue recognition under IFRS 15

During the period, management assessed the various performance obligations present in each contract in effect and if revenue was to be recognized at a point in time or over a period of time. Judgment regarding the identification of those performance obligations was used to determine the relevant pattern of revenue recognition for each customer contract.

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Impairment tests for property and equipment, intangible assets, and goodwill

The determination of fair value and value-in-use of the cash generating unit depends on a number of assumptions, in particular market data, estimated future cash flows, and the discount rate.

These assumptions are subject to risk and uncertainty. Any material changes in these assumptions could result in a significant change in the recoverable value of the Company's property and equipment, intangible assets, and goodwill.

Fair value of financial instruments and share-based payments

The fair value remeasurement of the derivative liability is based on numerous assumptions and estimates that may have a significant impact on the amount recognized as a financial liability. The impact of material changes in assumptions and the review of estimates is recognized in the condensed statements of loss and comprehensive loss in the period in which the changes occur or the estimates are reviewed, as required.

Management estimates the fair value of share-based payments, using various assumptions such as the volatility, common share value, forfeiture rates and discount rates used in the Black-Scholes valuation model. These assumptions are subject to risk, variability, and uncertainty. Any material changes in these assumptions could result in a significant change in the grant date fair value of the share-based payment awards and expense recognized.

Income taxes

Significant judgment is sometimes required in determining the accrual for income taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recorded, such differences will impact the current and deferred income tax provisions, results of operations and possibly cash flows in the year in which such determination is made.

Management judgment is required to determine the extent to which deferred tax assets can be recognized. In assessing the recognition of deferred tax assets, management considers whether it is probable that the deferred tax assets will be utilized. The deferred tax assets will be ultimately utilized to the extent that sufficient taxable profits will be available in the years in which the temporary differences become deductible. This assessment is conducted through a detailed review of deferred tax assets by jurisdiction and takes into account the scheduled reversals of taxable and deductible temporary differences, past, current, and expected future performance deriving from the budget, the business plan and tax planning strategies. Deferred tax assets are not recognized in the jurisdictions where it is not probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilized.

Provisions

Provisions for the following are considered on an ongoing basis: (a) legal and other potential claims; and (b) onerous contracts. Presently, no provisions have been recorded for these matters. However, future provisions could become necessary as circumstances change and could be material. Any potential amounts for provisions represent management's best estimates of the expenditure required to settle the obligation at the date of the condensed statements of financial position and are revised each year until the actual liability is settled.

NOTE 3 — Revenue

The Company's revenue by service offering for the periods presented were:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Software as a service	\$ 163,752	\$ 8,955	\$ 193,108	\$ 33,506
Software development	700,398	1,075,000	1,650,530	2,175,000
Total revenue	<u>\$ 864,150</u>	<u>\$ 1,083,955</u>	<u>\$ 1,843,638</u>	<u>\$ 2,208,506</u>

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The following table outlines the changes in contract liabilities for the periods presented:

Balance as at December 31, 2019	\$	333,333
Decrease from satisfied performance obligations		(1,800,530)
Increase from changes as a result of the measure of progress		1,750,663
Balance as at June 30, 2020	\$	283,466
Of which current		283,466
Of which non-current		-

The Company's minimum performance commitments to its customers remain through 2023. The Company expects to recognize revenue of approximately \$1.7 million, \$2.1 million, \$1.9 million, and \$0.3 million in the years ending December 31, 2020 (remainder), 2021, 2022, and 2023, respectively, for partial and fully unsatisfied performance obligations under its fixed-fee arrangements.

NOTE 4 — Labour and Employee Benefits

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Wages and salaries	\$ 878,287	\$ 983,383	\$ 1,999,851	\$ 1,922,352
Registered retirement savings plan	30,927	26,473	59,250	52,173
Other employee-related costs	91,542	44,079	238,887	96,216
Total labour and employee benefits expenses	\$ 1,000,756	\$ 1,053,935	\$ 2,297,988	\$ 2,070,741

The Company received approval for the National Research Council of Canada's ("NRC") Industrial Research Assistance Program ("IRAP"), which will reimburse the Company for salary costs (excluding benefits, bonuses, and other compensation) equal to the lower of \$437,052 or the actual costs incurred during the period beginning April 1, 2020 through March 31, 2021. These contributions are meant to promote and aid in financing the innovation projects and activities of small and medium size start-up companies that are unable to access other existing COVID-19 support. As at June 30, 2020, the Company recognized \$414,950 in payroll reimbursements under the IRAP grant, which were recorded as a reduction to labour and employee benefits expenses in the condensed statements of loss and comprehensive loss. As at June 30, 2020, the Company received cash payments of \$331,960 related to the IRAP grant.

NOTE 5 — Cash and Cash Equivalents

As at June 30, 2020 and December 31, 2019, all cash and cash equivalents represented cash in banks and on hand. No restrictions on cash and cash equivalents were present as at June 30, 2020 and December 31, 2019.

NOTE 6 — Trade Receivables

The Company had no trade receivables as at June 30, 2020 and \$3,519 in trade receivables as at December 31, 2019.

Impairment allowance

The Company periodically reviews its customers' account aging, credit worthiness, payment histories, and balance trends in order to evaluate trade receivables for impairment under the current expected credit loss. Management also considers historical losses and whether changes in general economic conditions and if the industries in which the Company operates are likely to impact the ability of the Company's customers to remain within agreed payment terms or to pay their account balances in full.

No impairment allowances were recognized during the three and six months ended June 30, 2020 and 2019.

The maximum exposure to credit risk as at the reporting date was the carrying value of trade receivables. The Company did not hold any collateral from its customers or debtors as security as at June 30, 2020 and December 31, 2019.

Currency concentrations

As at June 30, 2020 and December 31, 2019, the Company had no outstanding trade receivables transacted in currencies other than the Company's functional currency (Canadian dollars).

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NOTE 7 — Accounts Payable and Accrued Liabilities

	June 30, 2020	December 31, 2019
Trade payables	\$ 156,025	\$ 109,139
Employees' entitlements	159,175	86,349
Other payables	265,404	144,277
Total other payables and accrued liabilities	424,579	230,626
Total accounts payable and accrued liabilities	<u>\$ 580,604</u>	<u>\$ 339,765</u>

NOTE 8 — Leases

The Company leases office space for use in its operations. In March 2018, the Company signed its current building lease for an initial term of 10 years with two additional five-year extensions exercisable by the Company. At lease commencement, the extensions were not deemed to be reasonably certain to be exercised by the Company; thus, these extensions were not included in the term for the lease liability and ROU asset. The lease provides for additional rent payments that relate to the property taxes levied on the lessor, insurance payments made by the lessor, and operating expenses and common area maintenance expenses charged by the lessor. These amounts are generally determined annually. In March 2020, the Company amended the building lease to increase the square footage of office space lease utilized. The terms of the additional office space lease remained consistent with the original lease agreement and represented incremental lease payments in consideration for the increased space for use by the Company. The additional office space was deemed a new lease and included in the carrying amounts of the lease liability and ROU asset.

The Company also has low-value and short-term leases primarily for printers and office equipment, with terms of one to five years. The Company typically recognizes lease expense on a straight-line basis over the life of the lease for these assets.

For the six months ended June 30, 2020, the Company had additions of \$165,846 related to the additional leased office space, and no disposals of ROU assets occurred. As at June 30, 2020, the gross costs and accumulated depreciation related to the Company's ROU assets were \$596,822 and \$100,770, respectively.

The expenses relating to variable lease payments not included in the measurement of lease obligations were \$23,125 for both of the three months ended June 30, 2020 and 2019 and \$46,251 for both of the six months ended June 30, 2020 and 2019. This consists primarily of variable lease payments related to operating expenses and other costs associated with the office space lease. For the three months ended June 30, 2020 and 2019, expenses relating to short-term and low-value leases were \$20,003 and \$3,303, respectively. For the six months ended June 30, 2020 and 2019, expenses relating to short-term and low-value leases were \$29,400 and \$8,829, respectively. For the six months ended June 30, 2020 and 2019, total cash outflows for leases and other rents were \$127,756 and \$107,185, respectively.

The following table outlines the maturity of the contractual payments due under the Company's lease arrangements as at June 30, 2020:

Less than 1 year	\$ 121,246
1 to 5 years	662,639
More than 5 years	281,851
Total	<u>\$ 1,065,736</u>
Less: Impact of discounting	302,842
Total lease obligations	<u>\$ 762,894</u>
Of which non-current	\$ 704,993
Of which current	57,901

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NOTE 9 — Borrowings

9.1 *Analysis by nature*

	June 30, 2020			
	Carrying amount	Face value	Nominal rate	Effective rate
Long-term debt	\$ 2,216,891	\$ 2,500,000	8.00%	12.03%
Lease liabilities	762,894	762,894		9.95%
Term loan	200,000	200,000	8.50%	8.50%
Accrued interest	474,320	474,320		
Total long-term borrowings	<u>\$ 3,654,105</u>	<u>\$ 3,937,214</u>		
Of which non-current	\$ 3,569,721			
Of which current	84,384			

	December 31, 2019			
	Carrying amount	Face value	Nominal rate	Effective rate
Long-term debt	\$ 2,180,524	\$ 2,500,000	8.00%	12.03%
Lease liability	628,611	628,611		9.95%
Accrued interest	362,000	362,000		
Total long-term borrowings	<u>\$ 3,171,135</u>	<u>\$ 3,490,611</u>		
Of which non-current	\$ 3,126,614			
Of which current	44,521			

9.2 *Movements in borrowings*

Balance as at December 31, 2019	\$ 2,809,135
Issuance of term loan	200,000
Incurrence of lease liability	95,672
Modification of existing lease liability	59,071
Accretion of long term debt	36,368
Accretion of lease liability	2,094
Repayment of lease liability	(22,555)
Balance as at June 30, 2020	<u>\$ 3,179,785</u>

9.3 *Main features of borrowings*

Convertible debt

On April 2, 2018, the Company issued an unsecured convertible debt for a principal amount of \$2,500,000 at an annual interest rate of 8%, which matures in April 2023 (the “Convertible Debt”). Subject to certain prepayment features, the Convertible Debt is automatically converted into either common shares or the most senior class of issued and outstanding equity securities, at the holder’s option, at the end of its five-year term. The conversion option is automatically exercised in the event of a qualified financing or a change of control. The equity conversion options were deemed to be an embedded derivative to the underlying debt instrument with a term contemporaneous with the Convertible Debt.

See NOTE 11 – Financial Instruments for more information on the embedded derivative.

Covenants

As at June 30, 2020, the Company was in compliance with all of the covenants related to the Convertible Debt. Any failure to comply with the covenants could result in an event of default, which if not cured or waived, could have a material adverse effect on the Company’s business, financial condition, and results of operations. Additionally, if the

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holder becomes incapable of holding the Convertible Debt or decides to no longer fund the Company, these events could have a material adverse effect on the Company's liquidity, financial condition, and results of operations.

PME MTL Centre-Ville Loans

In January 2020, the Company received term loans totaling \$200,000 from the PME MTL Centre-Ville investment funds ("PME MTL Term Loans") – \$100,000 each from the PME MTL Fund and the Fonds local de solidarité Montréal ("FLS Montreal"). The PME MTL Term Loans were issued with a term of five years at 8.5% interest, payable monthly until repayment or maturity. The term loan agreement contained covenants, including, but not limited to: (i) the Company must use the funds for its software development projects; (ii) the Company's operations must remain in Montreal; and (iii) no dividends can be paid to the Company's shareholders without lender preauthorization. Concurrent with the PME MTL Term Loans, the Company was awarded a \$15,000 grant from the PME MTL Centre-Ville's Young Business Fund ("YBF"). The PME MTL Term Loans contained no prepayment penalty after the first two years. However, if repaid within the first 24 months, the YBF grant would have to be refunded to PME MTL Centre-Ville at the time of early extinguishment.

In March 2020, PME MTL Centre-Ville issued a six-month moratorium on payments under the PME MTL Term Loans in response to the COVID-19 pandemic. Payments are expected to resume in October 2020, and the term will be extended into June 2025 for the moratorium period. The interest moratorium was determined to be a non-substantial loan modification, as the terms and conditions did not change in a meaningful way and the present value of the contractual cash flows were not materially different due to the changes in the timing of payments.

Short-term borrowings – Term note payable

In April 2017, the Company entered into a one-year term note with National Bank of Canada with a principal amount of \$2,500,000 (the "Term Note"). The Term Note bears a variable annual interest rate of the prime rate plus 2.75% and an original maturity in April 2018. Concurrent with issuance of the Term Note, shareholders of the Company, Persistence Capital Partners II, L.P. and Persistence Capital Partners II (International), L.P., were issued 205,482 and 6,661 stock options, respectively, in the Company's common stock in exchange for a guarantee of repayment to National Bank of Canada for the Term Note. The issued stock options possessed no vesting options at the time of grant; however, they are exercisable upon the occurrence of a specified liquidity event.

In July 2018, the Company renewed the Term Note under the same terms and conditions and an updated maturity of June 2019. In July 2019, the Company renewed the Term Note under the same terms and conditions and an updated maturity of June 2020. In July 2020, the Company renewed the Term Note with an updated maturity through December 31, 2020 and variable annual interest rate of the prime rate plus 3.25% (the "Amended Term Note"). The other terms and conditions under the Amended Term Note remained the same as those under the Term Note.

The stock options related to the guarantee were considered outstanding as at each renewal date and reporting period with no subsequent or incremental consideration exchanged.

NOTE 10 — Share-Based Compensation

Stock options

The Company issued individual stock options that entitles directors, shareholders, key employees, or consultants to purchase Class A common shares of the Company. The options generally expire 10 years after the grant date and typically vest over a period of four years, subject to a non-market performance condition related to the occurrence of a liquidity event. The stock options are exercisable at the fair value of the shares at the date of grant.

On August 7, 2020, Pike Mountain Minerals Inc. ("Pike") and Carebook entered into a business combination agreement (the "Business Combination Agreement") pursuant to which Pike and Carebook have agreed to complete a business combination involving a "three-cornered" amalgamation of Carebook with a wholly-owned subsidiary of Pike that will have the effect of Pike acquiring all of the issued and outstanding common shares and other securities of Carebook in exchange for securities in Pike, and resulting in the reverse takeover of Pike by Carebook (the "Transaction"). Upon closing of the Transaction, it is anticipated that Pike will change its name to "Carebook Technologies Inc." (the "Resulting Issuer"), or such other name as determined by Carebook. Pike was listed on the Canadian Securities Exchange (the "CSE"). However, in connection with the execution of the Business Combination Agreement, Pike's common shares were delisted from the CSE effective at the close of trading on August 13, 2020. It

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is a condition to closing of the Transaction that the Resulting Issuer obtain a listing of its common shares on the TSX Venture Exchange ("TSXV"). Carebook has reserved "CRBK" as a stock symbol for such purposes.

Concurrent with the execution of the Business Combination Agreement, the Company has undertaken a private placement offering of 7,332,000 subscription receipts of the Company at a price of \$2.50 per subscription receipt (after the 1.725:1 stock split as part of the Transaction) for aggregate gross proceeds of \$18,330,000 (the "Private Placement"). Each subscription receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one unit of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$3.125 for a period of two years following the escrow release date. Closing of the Private Placement is conditional upon the satisfaction of certain escrow release conditions including the approval of certain matters by Pike shareholders and the TSXV's conditional approval of the listing of the Resulting Issuer's common shares on the TSXV.

The Transaction represents a liquidity event that satisfies the non-market performance condition of unvested stock options and as such, the recognition of the expense pertaining to the stock options became estimable as the occurrence of the Transaction became probable. The share-based compensation expense related to these stock options are within the statements of loss and comprehensive loss for the three and six months ended June 30, 2020.

There were no changes in the number and weighted average exercise prices of stock options and assumptions used to estimate the fair value of the stock options granted, and no grants, exercises, expirations, or forfeitures occurred during the six months ended June 30, 2020.

NOTE 11 — Financial Instruments

11.1 Financial assets and liabilities by categories

The Company's financial assets include cash and cash equivalents, trade receivables, and shareholder advances, and its financial liabilities consisted of trade payables and short-term and long-term borrowings. Cash and cash equivalents, trade receivables, and advances to shareholder are carried at amortized cost using the effective interest rate method, less any impairment. Trade payables and short-term and long-term borrowings are financial liabilities measured at amortized cost using the effective interest rate method. The embedded derivative is carried at fair value based on observable and unobservable inputs.

	June 30, 2020		
	At Carrying Value or Amortized Cost	At FVPL	Total
Cash and cash equivalents	\$ 110,297	\$ -	\$ 110,297
Trade receivables	-	-	-
Advance to shareholder	10,000	-	10,000
Total financial assets	<u>\$ 120,297</u>	<u>\$ -</u>	<u>\$ 120,297</u>
Trade payables	\$ 156,025	\$ -	\$ 156,025
Borrowings (short-term and long-term)	7,654,782	-	7,654,782
Accrued interest	474,320	-	474,320
Derivative liability	-	1,026,724	1,026,724
Total financial liabilities	<u>\$ 8,285,127</u>	<u>\$ 1,026,724</u>	<u>\$ 9,311,851</u>

CAREBOOK TECHNOLOGIES INC.
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	December 31, 2019		
	At Carrying Value or Amortized Cost	At FVPL	Total
Cash and cash equivalents	\$ 116,835	\$ -	\$ 116,835
Trade receivables	3,519	-	3,519
Advance to shareholder	10,000	-	10,000
Total financial assets	<u>\$ 130,354</u>	<u>\$ -</u>	<u>\$ 130,354</u>
Trade payables	\$ 109,139	\$ -	\$ 109,139
Borrowings (short-term and long-term)	6,159,132	-	6,159,132
Accrued interest	362,000	-	362,000
Derivative liability	-	1,110,294	1,110,294
Total financial liabilities	<u>\$ 6,630,271</u>	<u>\$ 1,110,294</u>	<u>\$ 7,740,565</u>

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

11.2 Fair values

The carrying values of the Company's term loans and related party advances were the redemption value at maturity.

The embedded derivative within the Convertible Debt has the character of a financial derivative. Accordingly, the fair value of the equity conversion option is re-estimated periodically, and changes in the fair value are recognized within the condensed statements of loss and comprehensive loss.

The fair values of all of the Company's other financial assets and liabilities approximated their carrying values as a result of their liquidity or short maturity.

11.3 Valuation hierarchy

The Company analyzes its financial instruments measured at fair value and groups them into levels based on the degree to which the fair value was observable.

The carrying amounts of cash and cash equivalents, trade receivables, advances to shareholder, trade payables, advances due to related parties, and short-term borrowings approximate their fair value because of the short-term maturity and highly liquid nature of these instruments and are considered Level 1.

The Convertible Debt is carried at the present value of the discounted future cash flows using rates currently available for debt of similar terms and maturity, net of unamortized discount and deferred costs, as of the end of the reporting period (Level 3). The carrying value of the Convertible Debt approximates its fair value.

The estimated fair value of the embedded derivative related to the equity conversion option of the Convertible Debt is determined using a discounted cash flow method, which includes assumptions based on unobservable inputs. In light of the methodologies employed to obtain the fair values, the embedded derivative is classified as Level 3 in the fair value hierarchy. The carrying value equaled the estimated fair value of the instrument and was recorded in the condensed statements of financial position.

During the six months ended June 30, 2020, the Company recognized the following changes to this instrument:

Balance as at December 31, 2019	\$ 1,110,294
Net unrealized gains on derivatives at FVPL	(83,570)
Balance as at June 30, 2020	<u>\$ 1,026,724</u>

CAREBOOK TECHNOLOGIES INC.
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The significant unobservable inputs utilized in the estimation of the fair value of the embedded derivative primarily relate to the probability of occurrence of certain financing events as defined within the debt arrangement and estimates and judgments around the estimated forward and spot prices of the convertible shares. Through a quantitative sensitivity analysis, a hypothetical increase/decrease in these unobservable inputs of 10% would have resulted in an increase/decrease in the fair value of the derivative liability of \$102,672 with a corresponding decrease/increase in earnings as at June 30, 2020.

There were no transfers into or out of Level 1, Level 2, or Level 3 during the six months ended June 30, 2020.

NOTE 12 — Risk Management

The Company's financial risk management strategy focused on creating and marketing a viable software product for sale and distribution and minimizing the cash flow impacts of volatility in interest rates, while maintaining the financial flexibility the Company required in order to successfully execute its business strategies.

Due to the Company's capital structure and the nature of the Company's operations, the Company is exposed to the following financial risks: (i) market risk, including interest rate risk and foreign exchange risk; (ii) credit risk; and (iii) liquidity and capital management risk.

12.1 Market risk

(i) Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments held by the Company and that are subject to variable rates will fluctuate, or the cash flows associated with such instruments will be impacted due to changes in market interest rates. The Company's interest rate risk arises principally from its Term Note. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash and cash equivalents deposits (including short-term investments) earning interest at variable interest rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

Interest rate sensitivity: risks associated with variable-rate financial instruments

The Company is exposed to changes in interest rates on the Company's outstanding indebtedness under the Term Note. A hypothetical 100 basis point increase in interest rates from June 30, 2020 levels would have had an impact on interest expense of \$11,296 for the six months ended June 30, 2020. The Company does not currently intend to enter into floating-to-fixed interest rate swaps to hedge floating interest rate exposure under the Term Note.

(ii) Foreign exchange risk

The Company has minimal risk attributable to certain U.S. dollar-denominated transactions pertaining to purchases of products and services. The Company manages its exposure to currency fluctuations by monitoring its level of cash in foreign currencies. Management did not hedge these exposures as at June 30, 2020.

Foreign exchange rate sensitivity

The Company is exposed to changes in currency exchange rates on certain of the Company's operating transactions. A hypothetical 10% strengthening (weakening) of the U.S. dollar in relation to the Canadian dollar from June 30, 2020 levels would have had an immaterial impact on net loss.

12.2 Credit risk

Credit risk pertains to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk with financial institutions and other parties as a result of cash-in-bank and customer trade receivables arising from the Company's operating activities. The maximum exposure to credit risk at the reporting date was the carrying value of each class of financial asset as described in NOTE 11 — Financial Instruments. The Company did not hold any collateral as security.

Credit risk related to transactions with financial institutions

Credit risk with financial institutions was managed by the Company's finance department. Management was not aware of any significant risks associated with financial institutions as a result of cash and cash equivalents deposits, including short-term investments.

CAREBOOK TECHNOLOGIES INC.
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Credit risks related to customer trade receivables

The Company's customer base consisted of two primary customers, one of which represented approximately 98% of revenue for both the six months ended June 30, 2020 and 2019. Payment terms varied, and credit limits were typically established based on internal or external rating criteria, which take into account such factors as the customer's financial condition, credit history, and risk associated with their industry segment. The high concentration of the Company's customer base represents the totality of its trade receivables, this necessitates the active monitoring and management of the outstanding receivables from customers by the Company. Historically, the Company has an extremely low level of customer default as a result of its historical experience with the Company's customer base and an active credit monitoring function. Collateral is generally not required to be posted by the Company's customers.

See NOTE 6 — Trade Receivables for the aging of trade receivables.

12.3 Liquidity and capital risk management

The capital structure of the Company included shareholders' equity (deficit) and borrowings. Management's overriding objectives when managing capital are to have sufficient liquidity to meet its liabilities when due, safeguard the business as a going concern, and create value through market growth and future returns. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company is not subject to any externally imposed capital requirements.

NOTE 13 — Commitments

Capital expenditure and purchase commitments

As at June 30, 2020, the Company had no future commitments for purchases of property and equipment and intangible assets.

Marketing and distribution agreement

The Company's marketing and distribution agreement with a third party requires the Company to pay a commission on certain revenue-generating contracts.

NOTE 14 — Subsequent Events

Grants and Incentives

On July 8, 2020, the Company received reimbursements equal to \$82,990 related to those recognized in these financial statements for salary costs (excluding benefits, bonuses, and other compensation) under the IRAP grant.

Amendment to Articles of Amalgamation – Class D Shares

On July 2, 2020, the Company amended its articles of amalgamation to update for changes in classes of shares authorized for issuance ("Schedule-A Amendment"). The Schedule-A Amendment instituted Class D-1 and D-2 shares for issuance by the Company and outlined the stipulations for issuance, maximum shares outstanding, and voting rights related to these two new classes of shares. In addition, the Schedule-A Amendment changed the following related to the articles of amalgamation filed in January 2016:

- 1) Classes of common stock: Class A, Class B, Class C, Class D-1 series, and Class D-2 series;
- 2) Dividend rights: all classes of common shares now have the equal rights to declared dividends and continues to be subordinate to preferred shares, which changed from Class A common shareholders being entitled to the first \$10 dividend declared, and Class B common shareholders being entitled to the second \$10 dividend declared;
- 3) Voting rights: Class A – 1 vote per share, Class B – 1.000000001 votes per share, Class C – 1.0000000001 votes per share, Class D-1 series – 1.00000000001 votes per share, and Class D-2 series - 1.000000000001 votes per share; and
- 4) Preemptive rights: eliminated for all classes of common shares.

Also, on July 2, 2020, the Company exchanged \$650,000 of promissory notes included in advances due to related parties for Class D-2 series shares issued to the holder of the promissory note. As of September 16, 2020, the Company had 186,194 shares issued and outstanding of Class D-2 shares at \$3.49 per share.

APPENDIX F
Unaudited Pro Forma Financial Statements of the Resulting Issuer
See attached.

June 30, 2020

CAREBOOK TECHNOLOGIES INC. (formerly Pike Mountain Minerals Inc.)

UNAUDITED PRO FORMA FINANCIAL STATEMENT

CAREBOOK TECHNOLOGIES INC.

UNAUDITED PRO FORMA FINANCIAL STATEMENT AS AT JUNE 30, 2020

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CAREBOOK TECHNOLOGIES INC. (FORMERLY PIKE MOUNTAIN MINERALS INC.)
NOTES TO THE PRO FORMA FINANCIAL STATEMENT
AS AT JUNE 30, 2020
(UNAUDITED)

	Carebook Technologies Inc.	Pike Mountain Minerals Inc.	Consolidated	Note	Pro Forma Adjustments	Pro Forma Consolidated
Assets						
Current assets						
Cash and cash equivalents	\$ 110,297	\$ 337,224	\$ 447,521			\$ 7,911,531
				2a	\$ 20,119,800	
				2b	(2,691,211)	
				2e	321,909	
				2f	(266,491)	
				2d	(5,330,000)	
				2i	(4,689,997)	
Trade and other receivables	-	7,358	7,358			7,358
Prepaid expenses	62,118	2,072	64,190			64,190
Total current assets	172,415	346,654	519,069		7,464,010	7,983,079
Non-current assets						
Property and equipment, net	374,808	-	374,808			374,808
Right-of-use leased asset	496,052	-	496,052			496,052
Goodwill	4,370,000	-	4,370,000			4,370,000
Advance to shareholder	10,000	-	10,000			10,000
Total non-current assets	5,250,860	-	5,250,860		-	5,250,860
Total assets	\$ 5,423,275	\$ 346,654	\$ 5,769,929		\$ 7,464,010	\$ 13,233,939
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	\$ 580,604	\$ 84,466	\$ 665,070			\$ 2,690,604
				2a	\$ 455,000	
				2h	1,655,000	
				2f	(84,466)	
Contract liabilities	283,466	-	283,466			283,466
Advances due to related parties	1,974,997	-	1,974,997	2i	(1,974,997)	-
Lease liability	57,901	-	57,901			57,901
Term note payable	2,500,000	-	2,500,000	2i	(2,500,000)	-
Term loan	26,483	-	26,483	2i	(26,483)	-
Total current liabilities	5,423,451	84,466	5,507,917		(2,475,946)	3,031,971
Non-current liabilities						
Lease liability	704,993	-	704,993			704,993
Long-term debt	2,216,891	-	2,216,891	2b	(2,216,891)	-
Accrued interest	474,320	-	474,320	2b	(474,320)	-
Term loan	173,517	-	173,517	2i	(173,517)	-
Derivative liability	1,026,724	-	1,026,724	2b	(1,026,724)	-
Total non-current liabilities	4,596,445	-	4,596,445		(3,891,452)	704,993
Total liabilities	10,019,896	84,466	10,104,362		(6,367,398)	3,736,964
Shareholders' equity (deficit)						
Share capital	8,115,686	697,538	8,813,224			26,169,687
				2a	15,007,779	
				2e	388,588	
				2d	(345,143)	
				2g	3,300,000	
				2g	(1,086,126)	
				2c	91,365	
Contributed surplus	7,352,834	87,168	7,440,002			12,884,827
				2a	4,657,021	
				2c	1,142,251	
				2d	(267,279)	
				2g	(20,489)	
				2e	(66,679)	
Accumulated deficit	(20,065,141)	(522,518)	(20,587,659)			(29,557,539)
				2g	704,543	
				2b	1,026,724	
				2g	(2,897,928)	
				2f	(182,025)	
				2c	(1,233,616)	
				2i	(15,000)	
				2d	(4,717,578)	
				2h	(1,655,000)	
Total shareholders' equity (deficit)	(4,596,621)	262,188	(4,334,433)		13,831,408	9,496,975
Total liabilities and shareholders' equity	\$ 5,423,275	\$ 346,654	\$ 5,769,929		\$ 7,464,010	\$ 13,233,939

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NOTE 1 — Basis of Presentation

This unaudited pro forma statement of financial position has been prepared by management and represents the effects of the proposed reverse takeover of Pike Mountain Minerals Inc. ("Pike") by the current entity, Carebook Technologies Inc. (the "Company"). This unaudited pro forma financial statement has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") and incorporates the principal accounting policies used to prepare the Company's financial statements. This pro forma financial statement is presented in Canadian dollars, which is the functional currency of the Company.

Pike was incorporated on July 11, 2018 under the *British Columbia Business Corporations Act*. On September 13, 2019, Pike completed an initial public offering of its common shares ("IPO"), and the Pike common shares began trading on the CSE under the trading symbol "PIKE" shortly thereafter.

On June 26, 2020, the Company, incorporated on February 12, 2015 under the *Canada Business Corporations Act*, and Pike entered into a letter of intent ("LOI"), setting out the terms of a reverse takeover of Pike by the Company ("RTO"). On August 7, 2020, the Company and Pike entered into a business combination agreement (the "Business Combination Agreement") pursuant to which the parties have agreed to complete a business combination involving a "three-cornered" amalgamation of the Company with a wholly owned subsidiary of Pike incorporated for the sole purpose of effecting the RTO ("Pike Subco") that will have the effect of Pike acquiring all of the issued and outstanding common shares and other securities of the Company in exchange for securities in Pike, and resulting in the reverse takeover of Pike by the Company. The Business Combination Agreement superseded and replaced the LOI.

Upon closing of the RTO, Pike Subco will amalgamate with the Company (the "Amalgamation") in accordance with an Amalgamation Agreement among the Company, Pike Subco and Pike, and the amalgamated corporation ("Amalco") will be wholly-owned by Pike, resulting in a reverse takeover of Pike by the Company. The resulting company (the "Resulting Issuer") will be renamed "Carebook Technologies Inc." or such other name as determined by the Company.

As a result of the proposed RTO, the common shares of Pike have been delisted as of the market close on August 13, 2020. It is a condition to closing of the RTO that the Resulting Issuer's shares be listed on the TSX Venture Exchange ("TSXV"), and the stock symbol "CRBK" has been reserved for this purpose.

The Company completed a private placement offering of subscription receipts of the Company in exchange for cash consideration as described in more detail in Note 2 – Pro Forma Adjustments and Assumptions below. The proceeds of the offering are currently being held in escrow in accordance with a subscription receipt agreement, and will be released to the Company upon satisfaction of certain escrow release conditions, which includes the conditional acceptance of the TSXV of the listing of the Resulting Issuer's common shares and the satisfaction or waiver of other conditions to completion of the RTO pursuant to the Business Combination Agreement. The net proceeds raised from the offering are expected to be used to redeem certain shares held by the Company's existing shareholders. The balance of the net proceeds raised from the offering is expected to be used by the Resulting Issuer to repay debt, finance ongoing research and development, global sales and marketing efforts, and general corporate purposes.

In preparing this unaudited pro forma financial statement, no adjustments have been made to reflect additional costs, savings, or potential synergies that could result from the transaction. The unaudited pro forma financial statement is not necessarily indicative of the results that would have actually occurred had the reverse takeover and acquisition of Pike been consummated at the date indicated, nor are they necessarily indicative of future operating results or the financial position of the Resulting Issuer. The unaudited pro forma financial statement should be read in conjunction with the historical financial statements of the Company and Pike. The unaudited pro forma financial statement of the Resulting Issuer has been prepared using the following information:

- Unaudited condensed interim financial statements of the Company for the three and six months ended June 30, 2020 and 2019 and as at June 30, 2020 and December 31, 2019; and
- Unaudited condensed interim financial statements of Pike for the three and nine months ended June 30, 2020 and 2019 and as at June 30, 2020 and September 30, 2019.

The unaudited pro forma statement of financial position as at June 30, 2020 has been prepared as if the RTO had occurred on June 30, 2020.

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Pike does not meet the definition of a business; therefore, the transaction is outside of the scope of IFRS 3 – *Business Combinations* (“IFRS 3”). Instead, the RTO will be accounted for under IFRS 2 – *Share-based Payment* (“IFRS 2”). Under this basis of accounting, the Resulting Issuer is considered to be a continuation of the Company, with the net identifiable assets of Pike deemed to have been acquired by the Company.

NOTE 2 — Pro Forma Adjustments and Assumptions

The unaudited pro forma statement of financial position is presented giving effect to the following assumptions and adjustments:

- a) The Company has undertaken a private placement offering of 8,400,000 subscription receipts of the Company at a price of \$2.50 per subscription receipt for aggregate gross proceeds of \$21,000,000 (“Private Placement”). Each subscription receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one unit of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$3.125 for a period of two years following the date that the conditions to the release of the escrowed proceeds from the offering are satisfied.

The value of each warrant has been estimated at \$0.93 resulting in a total estimated fair value of \$3,911,349. The estimated fair value of warrants was calculated using the Black-Scholes option pricing model with the following assumptions: i) the expected life of each warrant is 2 years; ii) the risk free rate is 0.26%; iii) the dividend yield is nil; and iv) expected volatility is 81%. These are highly subjective assumptions and any change in the assumptions can materially affect the fair value estimate.

Proceeds collected were net of agency cash fees of \$880,200. Additionally, the Company issued broker warrants to the agents, the value of which was estimated at \$745,672, and management has estimated \$455,000 in legal, accounting, and other direct costs associated to the Private Placement.

- b) On April 2, 2018, the Company issued an unsecured convertible debt for a principal amount of \$2,500,000 at an annual interest rate of 8%, which matures in April 2023 (the “Convertible Debt”). Subject to certain prepayment features, the Convertible Debt is automatically converted into either common shares or the most senior class of issued and outstanding equity securities, at the holder’s option, at the end of its five-year term. As a result of the Private Placement, the holder of the Convertible Debt agreed to receive payment in full for all amounts outstanding from the proceeds of the Private Placement, thus waiving their conversion rights.

For the purpose of preparing the pro forma statement of financial position, adjustments have been reflected to show the early extinguishment of the Convertible Debt.

- c) The Company issued individual stock options that entitles directors, shareholders, key employees, or consultants to purchase class A common shares of the Company. The options generally expire 10 years after the grant date and typically vest over a period of four years, subject to a non-market performance condition related to the occurrence of a liquidity event, such as the RTO. These stock options are required to be immediately exercised due to the accelerated vesting feature, or they are terminated. The Company has also offered stock option holders the right to replace their Company stock options with stock options of the Resulting Issuer, possessing identical terms but without the immediate termination feature to allow for later exercise. Management expects 69,044 stock options to be exercised on a net settlement basis without cash consideration, resulting in the net issuance of 34,782 class A common shares of the Company, and all other stock options are expected to be converted from Company stock options into Resulting Issuer stock options under the Resulting Issuer’s stock option plan. In addition, the Private Placement triggers the anti-dilution feature of certain Company stock options, which results in the issuance of additional Company stock options. The net settlement of certain Company stock options and additional stock-based compensation costs in the amount of \$1,233,616 related to the accelerated vesting of Company stock options, the issuance of anti-dilution options and the conversion of Company stock options into Resulting Issuer stock options are recognized as noted within the pro forma statement of financial position.
- d) In connection with a reorganization of the Company occurring prior to the RTO, certain holders of the Company’s common shares will exchange their common shares for redeemable shares, which will, in

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accordance with the Amalgamation Agreement, be replaced by Amalco redeemable shares. Management expects that 385,256 Class A common shares, 570,677 Class B common shares and 280,000 Class C common shares of the Company will be exchanged for 5,330,000 Amalco redeemable shares.

Pursuant to the Amalgamation Agreement, each Amalco redeemable share will be automatically redeemed by Amalco at a redemption price of \$1.00 per Amalco redeemable share, payment of which will be satisfied by Amalco using \$5,330,000 of the proceeds from the Private Placement.

- e) Pike has a stock option plan that allows for the issuance of stock options to directors, senior officers, employees, and/or consultants of Pike. The aggregate number of common shares of Pike reserved for the issuance under the stock option plan was a maximum of 10% of the issued and outstanding share capital of Pike at the date of grant and exercisable for a maximum of five years from the grant date. In addition, Pike issued 351,200 warrants in connection with its IPO ("Pike Broker Warrants") and 3,760,000 warrants in connection with a financing ("Pike Warrants"), each of which entitled the holders the right to acquire common shares of Pike. In accordance with the Business Combination Agreement, any of the 660,000 Pike stock options and Pike Warrants that are not exercised prior to the Amalgamation will terminate and any Pike Broker Warrants that are not exercised prior to the Amalgamation will be converted into Resulting Issuer warrants. Management expects that 13,090 Pike Broker Warrants, all Pike stock options and all Pike Warrants will be exercised prior to the RTO and that the remaining Pike Broker Warrants will be converted into Resulting Issuer warrants. The redemption of these Pike stock options, Pike Warrants and Pike Broker Warrants is as noted within the pro forma statement of financial position.

The exercise of 13,090 Pike Broker Warrants, all Pike stock options and all Pike Warrants will result in proceeds of \$321,909.

- f) Under the Business Combination Agreement and Amalgamation Agreement, the completion of the RTO is subject to the satisfaction of a number of conditions, including that (i) immediately prior to the Amalgamation, Pike will have cash on hand and certain other receivables totaling no less than \$400,000, (ii) Pike will not have any debt, accounts payable or other liabilities and (iii) Pike will have caused the termination of all agreements involving Pike relating to administration, leases or other material obligations (including, option agreement entered into on August 1, 2018 between Pike and Eastland Management Ltd. relating to the Otter property in British Columbia).

Accordingly, a pro forma adjustment reflecting the payment of both the estimated transaction costs relating to the RTO of \$182,025 and all outstanding accounts payable have been included within the pro forma statement of financial position.

- g) The RTO has been accounted for in the pro forma statement of financial position as a reverse acquisition that does not constitute a business, in accordance with IFRS 2, in which the Company is being identified as the acquirer of Pike. The purchase price consideration agreed upon in the Business Combination Agreement has been allocated on a preliminary pro forma basis to the fair value of net assets acquired as at June 30, 2020, the date of the pro forma statement of financial position, based upon management's best estimates.

As stated in Note 1 – Basis of Presentation, the consolidated entity is considered to be a continuation of the Company, with the net identifiable assets of Pike deemed to have been acquired by the Company. As a result, Pike's shareholders' equity accounts prior to the RTO were eliminated in the pro forma statement of financial position.

For purposes of the pro forma statement of financial position, management has estimated the fair value of the equity instruments deemed to be issued by the Company, which amounts to \$3,300,000. As a result, the public listing costs are estimated as follows:

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Fair value of shares deemed to have been issued	\$	3,300,000
Fair value of Pike Mountain Mineral Inc.		
Cash and cash equivalents		392,642
Trade and other receivables		7,358
Prepaid expenses		2,072
Net assets assumed		402,072
Public listing costs	\$	2,897,928

- h) Management has estimated \$1,655,000 in legal, accounting, and other direct costs associated to the RTO, Business Combination Agreement and Amalgamation Agreement.
- i) In addition to the early extinguishment of the Convertible Debt (see b) above), a portion of the net proceeds of the Private Placement in the aggregate amount of \$4,689,997 will be used to repay the remaining indebtedness owed by the Company as well as amounts owing to related parties.

NOTE 3 — Pro Forma Share Capital

As a result of the RTO, Amalgamation and the pro forma adjustments described in Note 2 – Pro Forma Adjustments and Assumptions, the shareholders' equity of the Resulting Issuer as at June 30, 2020 is comprised of the following.

	Note	Carebook Technologies Inc. Preferred shares	Carebook Technologies Inc. Common shares	Carebook Technologies Inc. / Amalco Redeemable Shares	Pike Mountain Minerals Inc. Common shares	Share capital	Contributed surplus	Accumulated deficit	Total
Balance at June 30, 2020 (Pike Mountain Minerals Inc.)					12,636,000	\$ 697,538	\$ 87,168	\$ (522,518)	\$ 262,188
Balance at June 30, 2020 (Carebook Technologies Inc.)		2,250,000	12,560,539	-	-	8,115,686	7,352,834	(20,065,141)	(4,596,621)
Exercise of Pike Mountain Minerals Inc. stock options and warrants	2e	-	-	-	4,433,090	388,588	(66,679)	-	321,909
Consolidation of Pike Mountain Mineral Inc. common shares		-	-	-	(15,774,729)	-	-	-	-
Stock-based compensation costs and redemption of stock options	2c	-	34,782	-	-	91,365	1,142,251	(1,233,616)	-
Exchange of Carebook Technologies Inc. common shares for Carebook Technologies Inc. Redeemable Shares	2d	-	(1,235,933)	5,330,000	-	-	-	-	-
Repayment of Convertible Debt and accrued interest	2b	-	-	-	-	-	-	1,026,724	1,026,724
Carebook Technologies Inc. share split		-	8,235,693	-	-	-	-	-	-
Private Placement	2a	-	8,400,000	-	-	17,088,651	3,911,349	-	21,000,000
Share issue costs	2a	-	-	-	-	(2,080,872)	745,672	-	(1,335,200)
Exchange of Carebook Technologies Inc. preferred shares for Pike Mountain Mineral Inc. common shares		(2,250,000)	-	-	900,000	-	-	-	-
Conversion of Carebook Technologies Inc. redeemable shares to Amalco redeemable shares and redemption	2d	-	-	(5,330,000)	-	(345,143)	(267,279)	(4,717,578)	(5,330,000)
Pike Mountain Minerals Inc. pre-RTO transactions	2f	-	-	-	-	-	-	(182,025)	(182,025)
Cancellation of Carebook Technologies Inc. common shares and new Pike Mountain Minerals Inc. common shares issued	2g	-	(27,995,081)	-	27,995,081	3,300,000	-	-	3,300,000
Elimination of Pike Mountain Minerals Inc. shareholders' equity	2g	-	-	-	-	(1,086,126)	(20,489)	704,543	(402,072)
Public listing costs	2g	-	-	-	-	-	-	(2,897,928)	(2,897,928)
Transaction costs	2h	-	-	-	-	-	-	(1,655,000)	(1,655,000)
Repayment of grant related to term loan	2i	-	-	-	-	-	-	(15,000)	(15,000)
		-	-	-	30,189,442	\$ 26,169,687	\$ 12,884,827	\$ (29,557,539)	\$ 9,496,975

NOTE 4 — Income Taxes

The pro forma effective income tax rate applicable to the Resulting Issuer's operations is estimated to be nil.