

**Vitalhub Corp.**

**Unaudited Interim Condensed Consolidated Financial Statements**

**For the three months ended March 31, 2024 and 2023**

**Vitalhub Corp.****For the three months ended March 31, 2024 and 2023**Table of Contents

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**Vitalhub Corp.**  
**Interim Condensed Consolidated Statements of Financial Position**  
**As at March 31, 2024 and December 31, 2023**

(Unaudited)

(In Canadian dollars)

	March 31, 2024	December 31, 2023
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	33,315,264	33,480,018
Accounts receivable, net of expected credit loss (Note 5)	16,470,273	9,291,691
Inventory	199,047	169,620
Prepaid expenses	1,655,007	964,560
	<b>51,639,591</b>	<b>43,905,889</b>
Non-current assets		
Property and equipment (Note 6)	662,918	643,443
Intangible assets (Note 7)	30,259,382	28,897,162
Right-of-use assets (Note 12)	421,905	441,522
Goodwill (Note 8)	46,654,138	44,858,497
Deferred tax asset	-	37,443
	<b>129,637,934</b>	<b>118,783,956</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	9,573,672	7,095,680
Contingent consideration (Note 11)	2,029,696	1,999,974
Income taxes payable	1,134,782	271,380
Lease liabilities (Note 12)	389,701	410,167
Deferred revenue	22,594,233	19,290,586
	<b>35,722,084</b>	<b>29,067,787</b>
Long-term liabilities		
Lease liabilities (Note 12)	131,952	130,919
Deferred revenue	2,789,549	1,759,389
Deferred tax liability	6,396,035	5,919,619
	<b>45,039,620</b>	<b>36,877,714</b>
<b>Shareholders' equity</b>		
Share capital (Note 13)	81,046,592	79,961,588
Share-based payment reserve (Note 13 (c))	4,808,730	4,895,066
Deferred share units payment reserve (Note 13 (d))	351,060	351,060
Accumulated other comprehensive income	518,230	143,292
Deficit	(2,126,298)	(3,444,764)
	<b>84,598,314</b>	<b>81,906,242</b>
	<b>129,637,934</b>	<b>118,783,956</b>

Approved by the Board

(Signed) Dan Matlow \_\_\_\_\_

Director

(Signed) Barry Tissenbaum \_\_\_\_\_

Director

## Vitalhub Corp.

### Interim Condensed Consolidated Statements of Operations and Comprehensive Income For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

	Three months ended March 31, 2024	Three months ended March 31, 2023
	\$	\$
<b>Revenue</b>		
Term licences, maintenance and support	12,465,062	9,997,484
Perpetual licences	121,771	310,398
Services	2,560,039	1,838,549
Hardware	99,584	441,280
Other	10,335	7,463
<b>Total revenue</b>	<b>15,256,791</b>	<b>12,595,174</b>
Cost of sales	2,973,692	2,471,877
<b>Gross profit</b>	<b>12,283,099</b>	<b>10,123,297</b>
<b>Expenses</b>		
General and administrative	3,191,857	3,611,092
Sales and marketing	1,696,464	1,281,665
Research and development	3,418,122	2,520,021
Depreciation of property and equipment (Note 6)	77,830	75,283
Depreciation of right-of-use assets (Note 12)	106,762	95,907
Share-based compensation (Note 13 (c))	348,579	277,684
Foreign currency gain	(68,276)	(213,261)
	<b>8,771,338</b>	<b>7,648,391</b>
<b>Income before amortization of intangible assets, business acquisition, restructuring and integration costs, loss on change in fair value of contingent consideration, interest income (net of interest expense and accretion), and interest expense from lease liabilities</b>	<b>3,511,761</b>	<b>2,474,906</b>
Amortization of intangible assets (Note 7)	1,106,542	1,054,247
Business acquisition, restructuring and integration costs (Note 4)	583,334	658,349
Loss on change in fair value of contingent consideration (Note 11)	14,003	-
Interest income (net of interest expense and accretion)	(184,807)	(38,987)
Interest expense from lease liabilities (Note 12)	13,794	20,869
	<b>1,532,866</b>	<b>1,694,478</b>
<b>Income before income taxes</b>	<b>1,978,895</b>	<b>780,428</b>
<b>Provision for income taxes</b>		
Current	801,920	186,926
Deferred	(141,491)	431,334
	<b>660,429</b>	<b>618,260</b>
<b>Net income</b>	<b>1,318,466</b>	<b>162,168</b>
<b>Other comprehensive income</b>		
Foreign currency translation profit	374,938	281,135
<b>Comprehensive income</b>	<b>1,693,404</b>	<b>443,303</b>
<b>Income per share</b>		
Basic	0.04	0.01
Diluted	0.04	0.01
<b>Weighted average number of shares outstanding</b>		
Basic	43,854,629	43,617,864
Diluted	45,017,991	44,685,367

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

**Vitalhub Corp.**

**Interim Condensed Consolidated Statements of Changes in Shareholders' Equity**

**For the three months ended March 31, 2024 and 2023**

(Unaudited)

(In Canadian dollars)

	Number of common shares	Share capital	Share-based payment reserve	Deferred share units payment reserve	Warrant reserve	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2022	43,599,648	79,729,340	3,854,461	253,500	445,681	(444,609)	(8,439,930)	75,398,443
Repurchase of common shares (Note 13 (b))	(12,900)	(39,070)	-	-	-	-	-	(39,070)
Acquisition of Coyote Software Corporation (Note 4 (a))	38,163	102,277	-	-	-	-	-	102,277
Share-based compensation (Note 13 (c))	-	-	277,684	-	-	-	-	277,684
Net income and comprehensive loss for the period	-	-	-	-	-	281,135	162,168	443,303
<b>Balance, March 31, 2023</b>	<b>43,624,911</b>	<b>79,792,547</b>	<b>4,132,145</b>	<b>253,500</b>	<b>445,681</b>	<b>(163,474)</b>	<b>(8,277,762)</b>	<b>76,182,637</b>
<b>Balance, December 31, 2023</b>	<b>43,712,411</b>	<b>79,961,588</b>	<b>4,895,066</b>	<b>351,060</b>	<b>-</b>	<b>143,292</b>	<b>(3,444,764)</b>	<b>81,906,242</b>
Stock options exercised (Note 13 (c))	266,669	1,085,004	(434,915)	-	-	-	-	650,089
Share-based compensation (Note 13 (c))	-	-	348,579	-	-	-	-	348,579
Net income and comprehensive profit for the period	-	-	-	-	-	374,938	1,318,466	1,693,404
<b>Balance, March 31, 2024</b>	<b>43,979,080</b>	<b>81,046,592</b>	<b>4,808,730</b>	<b>351,060</b>	<b>-</b>	<b>518,230</b>	<b>(2,126,298)</b>	<b>84,598,314</b>

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

**Vitalhub Corp.****Interim Condensed Consolidated Statements of Cash Flows****For the three months ended March 31, 2024 and 2023**

(Unaudited)

(In Canadian dollars)

	Three months ended March 31, 2024	Three months ended March 31, 2023
	\$	\$
<b>Operating activities</b>		
Net income	1,318,466	162,168
Adjustments for:		
Depreciation of property and equipment (Note 6)	77,830	75,283
Depreciation of right-of-use assets (Note 12)	106,762	95,907
Amortization of intangible assets (Note 7)	1,106,542	1,054,247
Unrealized foreign exchange gain	(68,276)	(213,261)
Change in fair value and accretion of contingent consideration (Note 11)	14,003	3,888
Interest expense from lease liabilities (Note 12)	13,794	20,869
Share-based compensation (Note 13 (c))	348,579	277,684
Changes in working capital		
Accounts receivable, net of expected credit loss	(6,923,708)	(1,433,911)
Inventory	(29,427)	124,393
Prepaid expenses	(669,398)	(308,864)
Deferred tax asset	37,443	-
Accounts payable and accrued liabilities	2,313,573	649,594
Deferred revenue	3,746,501	873,067
Income taxes payable	799,928	69,275
Deferred tax liability	(132,181)	497,003
	<b>2,060,431</b>	<b>1,947,342</b>
<b>Investing activities</b>		
Purchase of property and equipment (Note 6)	(63,892)	(72,843)
Purchase of intangible assets (Note 7)	-	(28,781)
Acquisition of Coyote Software Corporation (net of cash acquired) (Note 4 (a))	-	(1,835,129)
Acquisition of Bookwise Solutions Limited (net of cash acquired) (Note 4 (b))	(2,683,693)	-
Payments of contingent consideration (Note 11)	(5,632)	(29,467)
	<b>(2,753,217)</b>	<b>(1,966,220)</b>
<b>Financing activities</b>		
Principal payments on lease liabilities (Note 12)	(95,675)	(81,794)
Repurchase of common shares (Note 13 (b))	-	(39,070)
Proceeds from exercise of options (Note 13 (c))	650,089	-
	<b>554,414</b>	<b>(120,864)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	<b>(26,382)</b>	<b>(144,752)</b>
Decrease in cash and cash equivalents	<b>(164,754)</b>	<b>(284,494)</b>
Cash and cash equivalents, beginning of the period	<b>33,480,018</b>	<b>17,452,210</b>
<b>Cash and cash equivalents, end of the period</b>	<b>33,315,264</b>	<b>17,167,716</b>

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

## Vitalhub Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 1. Description of business

Vitalhub Corp. and its subsidiaries (the "Company") provide technology to Health and Human Service providers including; Hospitals, Regional Health Authorities, Mental Health, Long-Term Care, Home Health, Community and Social Services. Vitalhub solutions span the categories of Electronic Health Records (EHR), Case Management, Care Coordination, Patient Flow, Operational Visibility, Workforce Automation and Mobile Apps.

Vitalhub Corp. has eleven wholly-owned subsidiaries: Vitalhub (PVT) Ltd, H.I.Next LLC, Vitalhub UK Limited, S12 Solutions Limited, Vitalhub Australia PTY Ltd, Hicom Technology Limited, Community Data Solutions, MyPathway Solutions Limited, Coyote Software Corporation, Bookwise Solutions Limited, and Bookwise Solutions PTY Ltd.

On January 1, 2023, Oculys Health Informatics Inc., a wholly-owned subsidiary of the Company was amalgamated with Vitalhub Corp. On January 1, 2023, Intouch with Health Limited, Transforming Systems Limited., Alamac Limited, and Beautiful Information Limited, wholly-owned subsidiaries of the Company were amalgamated with Vitalhub UK Limited.

The Company's shares trade on the TSX under the symbol "VHI". The Company is incorporated and domiciled in Canada. The address of the Company's registered office is 480 University Avenue, Suite 1001, Toronto, Ontario, M5G 1V2.

#### 2. Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as set out in the Handbook of Chartered Professional Accountants Canada ("CPA Canada Handbook"). These unaudited interim condensed consolidated financial statements are presented in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The disclosures contained in these unaudited interim condensed consolidated financial statements do not contain all requirements of IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 9, 2024.

#### 3. Summary of significant accounting policies

The accounting policies applied in these unaudited interim condensed consolidated financial statements are consistent with those disclosed in Note 3 to the annual consolidated financial statements for the year ended December 31, 2023.

#### 4. Business acquisitions

The Company's acquisitions serve to expand and broaden the suite of service offerings, add key customers and realize synergies by removing redundancies.

##### a) Acquisition of Coyote Corporation Software

On January 20, 2023, the Company acquired all of the issued and outstanding shares of Coyote Software Corporation ("Coyote"). Coyote is a Canadian-based company, that specializes in tailored software solutions that streamline the workflows of health and social service organizations.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired.

<b>Consideration</b>	
Cash consideration on closing	\$ 1,925,699
Cash held in escrow	339,829
Issued shares (38,163 shares issued at \$2.68/share)	102,277
Fair value of contingent consideration	426,000
	<b>\$ 2,793,805</b>
<b>Purchase price allocation</b>	
Cash and cash equivalents	\$ 430,399
Accounts receivable	278,028
Prepays	13,756
Property and equipment	5,322
Accounts payable and accrued liabilities	(116,040)
Deferred revenue	(303,375)
Income taxes recoverable	10,575
Deferred tax liability	(473,375)
Acquired technology	230,000
Customer relationships	1,490,000
Brand	61,000
Goodwill	1,167,515
	<b>\$ 2,793,805</b>

## Vitalhub Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

#### For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 4. Business acquisitions (continued)

##### a) Acquisition of Coyote Corporation Software (continued)

In addition, the Company has a contingent consideration in the amount of \$426,000 payable over a three-year period after closing and is contingent upon meeting certain revenue targets.

During the three months ended March 31, 2024, the Company incurred \$20,694 in acquisition, restructuring and integration costs with this acquisition (three months ended March 31, 2023 - \$223,531). These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income.

##### b) Acquisition of BookWise Solutions Limited

On February 2, 2024, the Company acquired all of the issued and outstanding shares of BookWise Solutions Limited ("BookWise"). BookWise is a UK-based company, which offers specialist scheduling software for healthcare and corporate organisations ranging from general room booking software to more specialist scheduling systems.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired. In accordance with the Company's accounting policy and IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination. Accordingly, the accounting for the BookWise acquisition has been completed using provisional amounts within these unaudited interim condensed consolidated financial statements.

<b>Consideration</b>	
Cash consideration on closing	\$ 4,811,641
Cash held in escrow	537,686
	<b>\$ 5,349,327</b>
<b>Purchase price allocation</b>	
Cash and cash equivalents	\$ 2,665,634
Accounts receivable	254,874
Prepays	21,049
Property and equipment	13,152
Right-of-use assets	81,112
Accounts payable and accrued liabilities	(164,419)
Deferred revenue	(587,306)
Lease liabilities	(79,851)
Income taxes payable	(63,474)
Deferred tax liability	(608,597)
Acquired technology	256,041
Customer relationships	1,911,773
Brand	114,365
Goodwill	1,534,974
	<b>\$ 5,349,327</b>

From the date of acquisition to March 31, 2024, the Company incurred \$311,155 in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income.

#### 5. Accounts receivable

	March 31, 2024	December 31, 2023
	\$	\$
Trade accounts receivable	16,035,565	8,384,159
Other receivables	782,021	1,254,845
	16,817,586	9,639,004
Expected credit loss provision	(347,313)	(347,313)
Net carrying value	16,470,273	9,291,691



## Vitalhub Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 6. Property and equipment

	Computers	Furniture & fixtures	Leasehold improvements	Total
<b>Cost</b>	\$	\$	\$	\$
Balance, December 31, 2022	779,852	283,664	134,649	1,198,165
Acquisitions (Note 4)	2,488	2,834	-	5,322
Additions	253,797	6,920	-	260,717
Disposals	(6,300)	(3,457)	(8,939)	(18,696)
Effect of movements in exchange rates	66,266	21,347	904	88,517
<b>Balance, December 31, 2023</b>	<b>1,096,103</b>	<b>311,308</b>	<b>126,614</b>	<b>1,534,025</b>
Acquisitions (Note 4)	5,205	7,232	715	13,152
Additions	63,804	88	-	63,892
Effect of movements in exchange rates	13,623	(507)	(2,178)	10,938
<b>Balance, March 31, 2024</b>	<b>1,178,735</b>	<b>318,121</b>	<b>125,151</b>	<b>1,622,007</b>
<b>Accumulated depreciation</b>				
Balance, December 31, 2022	294,764	171,609	68,323	534,696
Depreciation expense	242,124	54,858	21,884	318,866
Effect of movements in exchange rates	41,574	17,775	(5,735)	53,614
<b>Balance, December 31, 2023</b>	<b>574,120</b>	<b>240,929</b>	<b>75,533</b>	<b>890,582</b>
Depreciation expense	66,534	6,105	5,191	77,830
Disposals	-	-	-	-
Effect of movements in exchange rates	(1,204)	(2,002)	(6,117)	(9,323)
<b>Balance, March 31, 2024</b>	<b>639,450</b>	<b>245,032</b>	<b>74,607</b>	<b>959,089</b>
<b>Net book value as at:</b>				
December 31, 2023	521,983	70,379	51,081	643,443
<b>March 31, 2024</b>	<b>539,285</b>	<b>73,089</b>	<b>50,544</b>	<b>662,918</b>

#### 7. Intangible assets

	Acquired technologies	Customer relationships	Brands	Training videos	Patents and trademarks	Total
<b>Cost</b>	\$	\$	\$	\$	\$	\$
Balance, December 31, 2022	6,913,419	32,206,250	1,866,792	105,237	1,546	41,093,244
Acquisitions (Note 4)	230,000	1,490,000	61,000	-	-	1,781,000
Additions	-	-	-	29,394	-	29,394
Disposals	-	-	-	-	(1,546)	(1,546)
Effect of movements in exchange rates	125,125	457,383	29,751	32,346	-	644,605
<b>Balance, December 31, 2023</b>	<b>7,268,544</b>	<b>34,153,633</b>	<b>1,957,543</b>	<b>166,977</b>	<b>-</b>	<b>43,546,697</b>
Acquisitions (Note 4)	256,041	1,911,773	114,365	-	-	2,282,179
Effect of movements in exchange rates	59,740	196,301	12,906	2,253	-	271,200
<b>Balance, March 31, 2024</b>	<b>7,584,325</b>	<b>36,261,707</b>	<b>2,084,814</b>	<b>169,230</b>	<b>-</b>	<b>46,100,076</b>
<b>Accumulated amortization</b>						
Balance, December 31, 2022	2,330,311	7,402,538	453,366	61,145	145	10,247,505
Amortization expense	1,134,846	2,870,580	220,724	31,582	1,381	4,259,113
Disposals	-	-	-	-	(1,546)	(1,546)
Effect of movements in exchange rates	33,163	74,731	5,872	30,677	20	144,463
<b>Balance, December 31, 2023</b>	<b>3,498,320</b>	<b>10,347,849</b>	<b>679,962</b>	<b>123,404</b>	<b>-</b>	<b>14,649,535</b>
Amortization expense	291,985	748,470	58,036	8,051	-	1,106,542
Effect of movements in exchange rates	24,954	54,021	4,003	1,639	-	84,617
<b>Balance, March 31, 2024</b>	<b>3,815,259</b>	<b>11,150,340</b>	<b>742,001</b>	<b>133,094</b>	<b>-</b>	<b>15,840,694</b>
<b>Net book value as at:</b>						
December 31, 2023	3,770,224	23,805,784	1,277,581	43,573	-	28,897,162
<b>March 31, 2024</b>	<b>3,769,066</b>	<b>25,111,367</b>	<b>1,342,813</b>	<b>36,136</b>	<b>-</b>	<b>30,259,382</b>

## Vitalhub Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 8. Goodwill

	\$
Balance, December 31, 2022	43,344,497
Additions through business combinations (Note 4)	1,167,515
Effect of movements in exchange rates	346,485
<b>Balance, December 31, 2023</b>	<b>44,858,497</b>
Additions through business combinations (Note 4)	1,534,974
Effect of movements in exchange rates	260,667
<b>Balance, March 31, 2024</b>	<b>46,654,138</b>

#### 9. Accounts payable and accrued liabilities

	March 31, 2024	December 31, 2023
	\$	\$
Trade accounts payable and accrued liabilities	2,705,138	2,026,156
Accrued payroll and related compensation	3,235,803	2,964,201
Government remittances	3,507,918	1,936,071
Royalties payable	124,813	169,252
	<b>9,573,672</b>	<b>7,095,680</b>

#### 10. Loans payable

The Company has an agreement with The Bank of Nova Scotia ("Scotia") to provide a \$6,000,000 operating credit limit, and a \$27,000,000 revolving term facility. The operating credit limit bears interest at Scotia's prime rate plus 1%. The revolving term facility, bears interest at Scotia's prime rate plus a spread per annum as follows: Funded debt/EBITDA greater than 2.5x plus 2.75%, Funded debt/EBITDA equal to or less than 2.5x plus 1.5%. The facilities are secured by a general security agreement with a first ranking security interest over all property of the Company and guarantees and postponements of claim from the subsidiaries of the Company.

The Company is subject to maintain the following covenants:

- i) Funded Debt to EBITDA ratio, calculated on a trailing 12-month basis that is:
  1. equal to or less than 2.50:1, from July 1, 2023 and thereafter.
- ii) A Fixed Charge Coverage Ratio (calculated on a trailing 12-month basis that is) of not less than 1.20:1.

As at March 31, 2024, the Company is in compliance with all of its covenants, and has no debt outstanding.

#### 11. Contingent consideration

	\$
Balance, December 31, 2022	2,801,376
Additions through business combinations (Note 4)	426,000
Payments	(2,021,167)
Accretion	11,664
Change in fair value	712,370
Effect of movements in exchange rates	69,731
<b>Balance, December 31, 2023</b>	<b>1,999,974</b>
Payments made	(5,632)
Change in fair value	14,003
Effect of movements in exchange rates	21,351
<b>Balance, March 31, 2024</b>	<b>2,029,696</b>

## Vitalhub Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 12. Right-of-use-assets and lease liabilities

The following table reconciles the Company's operating lease obligations to the lease obligations recognized:

Right-of-use-asset	Premise lease
<b>Cost</b>	\$
Balance, December 31, 2022	1,593,349
Additions	56,183
Disposals	(52,165)
Effect of movements in exchange rates	58,993
<b>Balance, December 31, 2023</b>	<b>1,656,360</b>
Additions through business combinations (Note 4)	81,112
Effect of movements in exchange rates	39,913
<b>Balance, March 31, 2024</b>	<b>1,777,385</b>
<b>Accumulated amortization</b>	\$
Balance, December 31, 2022	826,882
Amortization	399,715
Disposals	(52,165)
Effect of movements in exchange rates	40,406
<b>Balance, December 31, 2023</b>	<b>1,214,838</b>
Amortization	106,762
Effect of movements in exchange rates	33,880
<b>Balance, March 31, 2024</b>	<b>1,355,480</b>
<b>Net book value as at:</b>	
December 31, 2023	441,522
<b>March 31, 2024</b>	<b>421,905</b>
<b>Lease liabilities</b>	<b>Premise lease</b>
	\$
Balance, December 31, 2022	882,195
Additions	56,183
Financing costs	71,981
Payments	(399,551)
Effect of movements in exchange rates	(69,722)
<b>Balance, December 31, 2023</b>	<b>541,086</b>
Additions through business combinations (Note 4)	79,851
Financing costs	13,794
Payments	(95,675)
Effect of movements in exchange rates	(17,403)
<b>Balance, March 31, 2024</b>	<b>521,653</b>
Current portion of lease liabilities	389,701
Long-term portion of lease liabilities	131,952
<b>Balance, March 31, 2024</b>	<b>521,653</b>

#### 13. Share capital

##### a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value.

##### b) Issued share capital

The share repurchase program provides that the Company may, during the 12-month period commencing August 29, 2022 and ending August 28, 2023, purchase up to 1,302,007 common shares. The price which the Company will pay for any such shares will be the prevailing market price at the time of acquisition. The aggregate number of shares purchased under this agreement shall not exceed on a daily basis: 7,866 shares, and on an aggregate basis over the term of the repurchase program until the occurrence of a termination event: 1,302,007 common shares, subject to certain prescribed exceptions.

During the three months ended March 31, 2023, the Company repurchased 12,900 of its common shares for \$39,070, under a share repurchase program.

## Vitalhub Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

#### For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 13. Share capital (continued)

##### c) Share-based compensation and share-based payment reserve

A summary of changes in share-based compensation for the three months ended March 31, 2024 and for the year ended December 31, 2023 is as follows:

Measurement date	Number of options	Weighted average
		exercise price
	#	\$
Balance, December 31, 2022	2,450,206	2.45
Granted	584,000	2.72
Exercised	(87,500)	1.72
<b>Balance, December 31, 2023</b>	<b>2,946,706</b>	<b>2.48</b>
Granted	1,111,000	6.22
Exercised	(266,669)	2.46
<b>Balance, March 31, 2024</b>	<b>3,791,037</b>	<b>3.59</b>

The following tables summarize information about the Company's share options outstanding at March 31, 2024 and December 31, 2023.

Exercise price	March 31, 2024			December 31, 2023		
	Number of share options outstanding	Number of share options exercisable	Weighted average remaining contractual life	Number of share options outstanding	Number of share options exercisable	Weighted average remaining contractual life
\$1.50	200,000	200,000	4.08	200,000	200,000	4.33
\$1.65	90,000	90,000	3.66	90,000	90,000	3.91
\$1.80	20,000	20,000	0.06	70,000	70,000	0.31
\$2.03	482,503	482,503	3.46	525,003	525,003	3.54
\$2.33	95,000	42,218	3.62	95,000	34,304	3.87
\$2.66	750,000	590,000	2.65	875,000	615,003	2.76
\$2.67	80,000	42,235	3.38	80,000	35,563	3.62
\$2.71	138,000	-	7.37	148,000	10,000	7.41
\$2.75	90,000	-	4.38	90,000	-	4.63
\$2.77	150,000	91,670	3.12	150,000	79,169	3.36
\$2.85	35,000	35,000	2.50	50,000	50,000	2.75
\$2.90	157,703	122,664	4.78	157,703	109,521	5.03
\$2.98	40,000	25,554	3.07	40,000	22,221	3.32
\$3.05	70,000	48,605	2.85	70,000	42,773	3.10
\$3.07	85,000	56,665	3.00	85,000	49,582	3.25
\$3.15	170,831	154,568	2.25	195,000	162,489	2.50
\$3.34	26,000	-	4.62	26,000	-	4.87
\$4.46	40,000	40,000	4.85	-	-	-
\$6.29	1,071,000	255,333	4.99	-	-	-
	<b>3,791,037</b>	<b>2,297,015</b>	<b>3.89</b>	<b>2,946,706</b>	<b>2,095,628</b>	<b>3.52</b>

During the three months ended March 31, 2024, 1,111,000 share options were issued (for the year ended December 31, 2023 - 584,000) with a weighted average aggregate value of \$3,225,716 at the date of grant (2023 - \$915,393) to directors and employees.

The fair value of the share options granted during the year were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	2024	2023
Share price	\$4.46 - \$6.29	\$2.66 - \$3.34
Exercise price	\$4.46 - \$6.29	\$2.66 - \$3.34
Expected volatility	48% - 49%	54% - 79%
Expected option life	5 years	5 - 10 years
Expected dividend yield	-	-
Expected forfeiture rate	-	-
Risk-free interest rate	4.63% - 5.23%	2.71% - 4.30%

During the three months ended March 31, 2024, the Company recognized stock-based compensation expense of \$348,579 (three months ended March 31, 2023 - \$277,684).

## Vitalhub Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

#### For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 13. Share capital (continued)

##### d) Deferred share units payment reserve

Measurement date	Number of	Weighted average
	deferred share units	exercise price
	#	\$
Balance, December 31, 2022	87,414	2.90
Issued	36,000	2.71
<b>Balance, December 31, 2023</b>	<b>123,414</b>	<b>2.84</b>
<b>Balance, March 31, 2024</b>	<b>123,414</b>	<b>2.84</b>

During the three months ended March 31, 2024, no deferred share units were issued (for the year ended December 31, 2023, 36,000 deferred share units were issued with a weighted average aggregate fair value of \$97,560 at the date of grant to key management).

The fair value of the deferred share units granted to key management for the year ended December 31, 2023 were determined using the share price at the date of grant of \$2.71.

During the three months ended March 31, 2024, no stock-based compensation expense was recognized (for the year ended December 31, 2023 - \$97,560) related to fully vested deferred share units.

#### 14. Expenses by nature

	Three months	Three months
	ended March 31, 2024	ended March 31, 2023
	\$	\$
Business acquisition, restructuring and integration costs	583,334	658,349
Computer expenses	357,213	483,202
Consulting	901,939	509,773
Depreciation and amortization	1,291,134	1,225,437
Facilities	129,827	123,984
Foreign currency gain	(68,276)	(213,261)
Loss on change in fair value of contingent consideration	14,003	-
Hardware	91,621	223,845
Hosting and software licenses	763,160	481,004
Insurance	54,999	72,408
Interest expense and accretion (net of interest income)	(171,013)	(18,118)
Investor relations	51,000	15,750
Marketing	80,404	81,173
Office and telephone	51,556	69,178
Other	110,831	77,515
Professional fees	281,558	245,018
Recruiting	5,547	4,733
Royalties	81,593	70,434
Salaries, wages and benefits	7,953,329	7,114,777
Share-based compensation	348,579	277,684
Transfer agent filing fees	55,478	43,867
Travel	310,080	267,994
	<b>13,277,896</b>	<b>11,814,746</b>

## Vitalhub Corp.

### Notes to the Interim Condensed Consolidated Financial Statements

#### For the three months ended March 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

#### 15. Key management compensation

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include management executives of the Company and the Board of Directors. Compensation provided to key management and the board of directors is as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
	\$	\$
Salaries and short-term employee benefits	276,735	182,124
Directors' fees	66,750	76,000
Consulting	6,198	7,218
Share-based compensation	59,885	14,267
	<b>409,568</b>	<b>279,609</b>

#### 16. Segmented information

The Company has identified one operating segment for its operations related to healthcare information systems in the mental health, long-term care, community health service and hospital sectors. The Company sells into five major geographic regions: Canada, the United States of America ("USA"), the United Kingdom, Australia, and parts of Western Asia. The Company has determined that it has a single reportable segment as the Company's decision makers review information on a consolidated basis.

The revenues in each of these geographic locations for the three months ended March 31, 2024 and 2023 are as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
	\$	\$
Canada	3,209,150	2,622,276
USA	163,843	256,944
United Kingdom	10,401,141	8,399,439
Australia	1,099,780	957,911
Western Asia	272,707	273,732
Rest of the world	110,170	84,872
Total revenues	<b>15,256,791</b>	<b>12,595,174</b>

The total non-current assets in each of these geographic locations as at March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Canada	19,326,932	19,045,003
United Kingdom	50,753,902	47,644,543
USA	806	821
Sri Lanka	378,275	386,191
Australia	7,538,428	7,801,509
Total non-current assets	<b>77,998,343</b>	<b>74,878,067</b>

#### 17. Subsequent event

On April 9, 2024, the Company closed a bought deal public offering with a syndicate of investment dealers led by Cormark Securities Inc. (collectively, the "underwriters") pursuant to which the underwriters purchased 6,709,000 common shares (the "common shares") from the treasury of the Company, at a price of \$6.00 per common share for total gross proceeds of approximately \$40,254,000.