

Think Research Corporation (formerly AIM4 Ventures Inc.)

Unaudited Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2021 and 2020

Think Research Corporation (formerly AIM 4 Ventures Inc.)
Unaudited Condensed Consolidated Interim Statements of Financial Position
(In thousands of Canadian dollars)

Notice of No Auditor Review of Comparative Interim Financial Statements

As announced on September 24, 2021, the Company changed auditors to Ernst & Young LLP (“E&Y”). E&Y has not performed a review of the unaudited condensed consolidated comparative interim financial statements of the Company for the three and nine months ended September 30, 2020 in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by the entity’s auditor.

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

The accompanying unaudited condensed consolidated comparative interim financial statements of the Company have been prepared by, and are the responsibility of the Company’s management.

Think Research Corporation (formerly AIM 4 Ventures Inc.)
Unaudited Condensed Consolidated Interim Statements of Operations and
Comprehensive Income (Loss)
(In thousands of Canadian dollars, except shares and per share amounts)

	September 30, 2021	December 31, 2020
	\$	\$
Assets		
Current		
Cash	5,984	10,875
Accounts receivable and other	13,099	2,054
Investment tax credits	129	1,281
Prepaid expenses and other	3,012	2,198
Total current assets	22,224	16,408
Non-current		
Accounts receivable and other	252	129
Property and equipment, net (Note 5)	2,252	511
Right-of-use-assets, net (Note 9)	10,266	2,830
Intangible assets, net (Note 6)	41,487	2,281
Goodwill (Note 7)	52,801	12,344
Total assets	129,282	34,503
Liabilities		
Current		
Accounts payable and accrued liabilities	14,044	7,833
Future equity consideration to vendor (Note 4)	6,429	-
Deferred revenue	7,994	3,661
Current portion of government financing	11	214
Derivative liability	979	981
Current portion of contingent consideration (Note 4, 17)	5,713	136
Current portion of lease liabilities (Note 9)	3,329	2,116
Current portion of license agreement payable	201	201
Total current liabilities	38,700	15,142
Non-current		
Bank loan (Note 8)	20,600	-
Deferred revenue	280	298
Deferred tax liability	4,628	440
Contingent consideration (Note 4, 17)	1,213	95
Government financing	500	633
Lease liabilities (Note 9)	7,664	1,052
License agreement payable	177	326
Total liabilities	73,762	17,986
Commitments and contingencies (Note 10)		
Subsequent events (Note 18)		
Shareholders' equity		
Common shares (Note 14)	162,827	106,567
Contributed surplus	6,532	2,588
Warrants	266	137
Accumulated other comprehensive income	123	-
Deficit	(114,228)	(92,775)
Total shareholders' equity	55,520	16,517
Total liabilities and shareholders' equity	129,282	34,503

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

On behalf of the Board:

"Signed"
Director - Sachin Aggarwal

"Signed"
Director - Richard Wells

Think Research Corporation (formerly AIM 4 Ventures Inc.)
Unaudited Condensed Consolidated Interim Statements of Operations and
Comprehensive Income (Loss)
(In thousands of Canadian dollars, except shares and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue (Note 13)	10,083	3,985	28,674	13,629
Cost of sales (Note 11)	(5,832)	(901)	(13,400)	(4,426)
Gross margin	4,251	3,084	15,274	9,203
Operating expenses (Note 11)				
General and administration	(6,201)	(901)	(15,727)	(4,727)
Research and development	(1,590)	(1,187)	(5,050)	(4,664)
Sales and marketing	(2,008)	(526)	(6,088)	(2,513)
Depreciation and amortization (Note 5, 6, 9)	(1,665)	(500)	(3,888)	(1,489)
Total operating expenses	(11,464)	(3,114)	(30,753)	(13,393)
Loss before other income (expenses) and income taxes	(7,213)	(30)	(15,479)	(4,190)
Other income (expenses)				
Acquisition, restructuring and other (Note 15)	(2,801)	143	(4,368)	309
Finance costs (Note 12)	(800)	(419)	(1,341)	(1,205)
Foreign exchange gain (loss)	1	(53)	(245)	18
Total other income (expenses)	(3,600)	(329)	(5,954)	(878)
Net income (loss) before income tax	(10,813)	(359)	(21,433)	(5,068)
Income tax recovery (expense)	(15)	26	(20)	26
Net income (loss) for the period	(10,828)	(333)	(21,453)	(5,042)
Other comprehensive income				
Item that may be subsequently reclassified to profit:				
Foreign currency translation differences for foreign operations (net of tax)	43	-	123	-
Other comprehensive income, net of tax effect	43	-	123	-
Comprehensive income (loss) for the period	(10,785)	(333)	(21,330)	(5,042)
Net loss per share - basic	(0.24)	(0.01)	(0.50)	(0.20)
Weighted average number of common shares - basic	45,998	25,627	43,040	25,526

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

Think Research Corporation (formerly AIM 4 Ventures Inc.)

Unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)

(In thousands of Canadian dollars)

Nine months ended September 30, 2021 and 2020

	Common shares	Contributed surplus	Warrants	Deficit	Accumulated other comprehensive income	Total shareholders' equity
	\$	\$	\$	\$	\$	\$
Balance, January 1, 2021	106,567	2,588	137	(92,775)	-	16,517
Shares issued on exercise and conversion of share-based awards	1,254	(1,253)	-	-	-	1
Broker warrants issued	-	-	185	-	-	185
Warrants exercised during the period	105	-	(56)	-	-	49
Issuance of equity consideration for business acquisitions (Note 4)	42,169	-	-	-	-	42,169
Stock-based compensation (Note 14)	-	5,197	-	-	-	5,197
Net income (loss) for the period	-	-	-	(21,453)	-	(21,453)
Shares issued pursuant to private placement (Note 14)	14,109	-	-	-	-	14,109
Shares issuance costs (Note 14)	(1,501)	-	-	-	-	(1,501)
Shares issued in settlement of debt (Note 14)	124	-	-	-	-	124
Other comprehensive income	-	-	-	-	123	123
Balance, September 30, 2021	162,827	6,532	266	(114,228)	123	55,520

	Common shares	Class B preferred shares	Contributed surplus	Warrants	Deficit	Total shareholders' deficiency
	\$	\$	\$	\$	\$	\$
Balance, January 1, 2020	60,693	1	4,169	383	(74,300)	(9,054)
Shares issued on exercise of stock options	2,836	-	(2,832)	-	-	4
Warrants exercised during the period	292	-	-	(291)	-	1
Issuance of equity consideration for business acquisitions (Note 4)	350	-	-	-	-	350
Dividends paid to Class B Preferred shareholders	-	-	-	-	(273)	(273)
Stock-based compensation (Note 14)	-	-	641	-	-	641
Net income (loss) for the period	-	-	-	-	(5,042)	(5,042)
Balance, September 30, 2020	64,171	1	1,978	92	(79,615)	(13,373)

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

Think Research Corporation (formerly AIM 4 Ventures Inc.)

Unaudited Condensed Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	\$	\$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(21,453)	(5,042)
Items not affecting cash		
Depreciation and amortization (Note 5, 6, 9)	3,888	1,489
Income tax expense (recovery)	20	(26)
Sublease loss	243	-
Interest expense on lease liability (Note 12)	374	293
Rent concessions	(120)	(309)
Stock-based compensation (Note 14)	5,197	641
Accretion on contingent consideration	8	-
Interest expense on Class A preferred shares (Note 12)	-	551
Services provided in-kind	(148)	(151)
Remeasurement of contingent consideration (Note 17)	417	-
Write-off of contingent consideration (Note 17)	(137)	-
Change in fair value of derivative liability	(2)	-
Interest expense on bank loans (Note 8, 12)	959	361
Net change in operating components of working capital (Note 16)	(567)	(1,317)
Cash used in operating activities	(11,321)	(3,510)
Financing activities		
Proceeds from loan and borrowings (Note 8)	33,513	5,139
Payments for loans and borrowings (Note 8)	(12,334)	-
Credit facility issuance costs (Note 8)	(579)	-
Interest paid on bank line of credit (Note 8, 12)	(959)	(361)
Proceeds from government loan (Note 13)	-	500
Payment for lease liabilities (Note 9)	(1,638)	(662)
Interest paid on lease liability (Note 9, 12)	(374)	(293)
Interest paid on Class A preferred shares (Note 12)	-	(338)
Repayment of Class A preferred shares	-	(382)
Proceeds from the exercise of stock options and warrants	50	5
Proceeds from shares issued pursuant to private placement	12,917	-
Dividends paid to Class B preferred shareholders	-	(273)
Cash provided by financing activities	30,596	3,335
Investing activities		
Additions of property and equipment (Note 5)	(601)	(38)
Additions of intangible assets (Note 6)	(1,288)	-
Acquisition consideration paid, net of cash acquired (Note 4)	(22,277)	(350)
Cash used in investing activities	(24,166)	(388)
Change in cash	(4,891)	(563)
Cash, beginning of period	10,875	1,940
Cash, end of period	5,984	1,377

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Think Research Corporation (formerly AIM 4 Ventures Inc.)

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(In thousands of Canadian dollars, except share and per share amounts)

1 Nature of operations

Think Research Corporation and its subsidiaries (collectively the “Company” or “Think”) is a healthcare technology company digitalizing the delivery of knowledge to facilitate better health care outcomes.

On December 23, 2020, AIM4 Ventures Inc. (“AIM4 Ventures”) completed a reverse take-over (the “RTO”) and change of business transaction with TRC Management Holdings Corp. by way of a plan of arrangement that resulted in AIM4 Ventures amalgamating with TRC Management Holdings Corp. and 2775554 Ontario Inc. (“HCP”) and the amalgamated entity changing its name to Think Research Corporation. TRC Management Holdings Corp. was the effective acquirer of AIM4 Ventures and therefore the prior financial period comparison amounts are those reported by TRC Management Holdings Corp. As a result of the RTO, the Company began trading on the TSX Venture Exchange (“TSX.V”) on December 30, 2020 under the symbol “THNK”. In connection with the RTO transaction, the Company also raised gross proceeds of approximately \$33 million pursuant to a private placement of subscription receipts. Think Research Corporation, formerly AIM4 Ventures Inc., was incorporated under the laws of the Province of Ontario on November 29, 2018.

The address of the Company’s registered office is 351 King St E #500, Toronto, ON, M5A 0L6.

These unaudited condensed consolidated interim financial statements were approved for issuance by the Company’s Board of Directors on November 26, 2021.

2 Basis of preparation

These condensed consolidated interim financial statements (the “interim financial statements”) have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements do not include all the disclosures required by International Financial Reporting Standards (“IFRS”) for annual consolidated financial statements and accordingly should be read in conjunction with the Company’s audited consolidated financial statements for the three months ended December 31, 2020 prepared in accordance with IFRS as issued by the IASB.

Basis of consolidation

The consolidated interim financial statements incorporate the financial results of the Company and its subsidiaries. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Use of estimates and judgments

The preparation of these consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated interim financial statements and the reported amounts of revenues and expenses during the reporting periods presented. In the opinion of management, these consolidated interim financial statements reflect all adjustments necessary to present fairly the results for the periods presented. Actual results could differ from these estimates and have a material impact on the consolidated interim financial statements. In preparing these interim consolidated financial statements, the significant judgments made by management in applying the Company’s accounting policies and the key sources of uncertainty are the same as those described in the Company’s audited consolidated financial statements for the three months ended December 31, 2020.

Think Research Corporation (formerly AIM 4 Ventures Inc.)

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(In thousands of Canadian dollars, except share and per share amounts)

Since March 2020, there has been an outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent is unknown of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, a decrease in the timeliness of trade receivable collections and supply chain disruptions, which could all negatively impact the Company's business and financial condition.

3 Significant accounting policies

New standards, amendments and interpretations

New standards, amendments and interpretations adopted during the period

The accounting policies applied by the Company in these consolidated interim financial statements are consistent with those applied by the Company in its consolidated financial statements for the three months ended December 31, 2020, except for the following new accounting policies:

a) Functional Currency

The functional currency of the Company and its subsidiaries is the Canadian dollar, except for MDBriefCase Australia Pty Ltd. and BioPharma Services USA Inc., wholly owned subsidiaries of companies that the Company acquired during the nine months ended September 30, 2021 (see Note 4), whose functional currencies are the Australian dollar and U.S. dollar, respectively. The functional currency assessments made by management were based on consideration of the currency and economic factors that mainly influence operating costs, financing and related transactions.

b) Foreign currency translation

Assets and liabilities of subsidiaries with functional currencies other than the Canadian dollar are translated at period-end rates of exchange, and operating results are translated at average rates of exchange for the period. The resulting translation adjustments are included in accumulated other comprehensive income in equity.

Standards, amendments and interpretations issued and not yet adopted

a) IAS 37, Provisions, *Contingent Liabilities and Contingent Assets* ("IAS 37")

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The extent of the impact of adoption of the standard has not yet been determined.

Think Research Corporation (formerly AIM 4 Ventures Inc.)

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(In thousands of Canadian dollars, except share and per share amounts)

4 Business combinations

Acquisitions that are determined to be business combinations have been recorded under the purchase method of accounting and results have been included in the consolidated interim statements of operations and comprehensive income (loss) from their respective acquisition date.

Accordingly, the allocation of the purchase price to assets and liabilities is based on the fair value, with the excess of the purchase price over the fair value of the net assets acquired being allocated to goodwill. For certain acquisitions made, management assessed the information obtained, including the impact and assumptions used in estimating the fair value of intangible assets and deferred taxes.

Goodwill arose in the acquisitions because the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected revenue growth, future market development and other expected synergies. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Goodwill arising on the acquisitions is not deductible for tax purposes. For acquisition costs that the Company incurred in relation to acquisitions completed during the nine months ended September 30, 2021, please refer to Note 15.

The allocation of the purchase price paid for acquisitions completed since January 1, 2020 is as follows:

	2021				2020		
	BioPharma	MDBriefcase**	Clinic 360	Total	AirMed	HCP	Total
	\$	\$	\$	\$	\$	\$	\$
Cash paid on closing	20,080	5,396	250	25,726	250	1,850	2,100
Equity consideration	24,297	19,696	4,605	48,598	350	10,458	10,808
Net working capital settlement	(3,148)	(876)	56	(3,968)	100	174	274
Fair value of contingent consideration	2,472	2,955	-	5,427	177	-	177
Derivative liability	-	-	-	-	-	981	981
Total purchase price	43,701	27,171	4,911	75,783	877	13,463	14,340
Working capital	(133)	(557)	56	(634)	-	(190)	(190)
Property and equipment (Note 5)	1,287	81	-	1,368	-	251	251
Right-of-use assets acquired	6,691	430	1,810	8,931	-	630	630
Intangible assets (Note 6)	31,182	8,011	594	39,787	476	1,938	2,414
Contingent consideration*	-	(980)	-	(980)	-	-	-
Lease liabilities assumed	(6,691)	(430)	(1,810)	(8,931)	-	(630)	(630)
Deferred tax asset (liability)	(3,066)	(1,149)	-	(4,215)	(126)	(353)	(479)
Goodwill (Note 7)	14,431	21,765	4,261	40,457	527	11,817	12,344
	43,701	27,171	4,911	75,783	877	13,463	14,340

*This is the fair value of the contingent consideration assumed by the Company from the acquired company.

** During the third quarter of 2021, the Company updated the initial purchase price allocation for MDBriefCase for estimated contingent consideration for net working capital settlements.

Think Research Corporation (formerly AIM 4 Ventures Inc.)

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(In thousands of Canadian dollars, except share and per share amounts)

The following revenue is included in the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2021:

	BioPharma	MDBriefcase	Clinic 360
	\$	\$	\$
Revenue	1,143	6,503	5,732

If the acquisitions had occurred on January 1, 2021, then the Company estimates that it would have reported the following consolidated revenue for the nine months ended September 30, 2021:

	BioPharma	MDBriefcase	Clinic 360
	\$	\$	\$
Revenue	28,019	7,425	6,326

Bio Pharma Services Inc.

On September 10, 2021, the Company acquired all of the issued and outstanding shares of Bio Pharma Services Inc. ("BioPharma"). The purchase price for this acquisition was \$43,701 paid as follows:

- Cash consideration of \$20,080 paid on the closing of the acquisition;
- The issuance on closing of 8,068,107 common shares of the Company with a fair market value of \$2.21 per share or \$17,868;
- Future equity consideration to vendor with a fair value of \$6,429 due approximately six months and 12 months from the closing date; this amount has been recorded in accounts payable and accrued liabilities as the deferred equity consideration related to BioPharma will be settled by the issuance of \$3,250 in common shares of the Company at each of the six-month and 12-month anniversary dates from the closing date of this acquisition. The number of common shares of the Company to be issued on these anniversary dates is based on the ten-day volume weighted average price of the common shares of the Company ending on the trading date immediately preceding the date of issuance of the common shares;
- Net working capital settlement receivable of \$3,148, receivable approximately four months from the closing date, which can be settled in either cash or common shares at BioPharma's discretion; and
- An annual earnout amount, if any, through 2025 based on 10% of BioPharma's annual earnings before interest and taxes, payable in cash or common shares of the Company at the Company's discretion. The fair value of this contingent consideration is \$2,472.

As part of the transaction related to BioPharma, Think will remit to the vendors an estimated investment tax credit refund of \$6,667, when it is received by the Company. After December 31, 2023 any amount received by Think related to the investment tax credit refund will be to the sole benefit of the Company.

The purchase price allocation for this acquisition is preliminary and subsequent adjustments during the measurement period will occur as the Company completes its estimation of the fair value of assets acquired and liabilities assumed, including valuation of intangible assets.

Think Research Corporation (formerly AIM 4 Ventures Inc.)

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(In thousands of Canadian dollars, except share and per share amounts)

MDBriefCase Group Inc.

On January 29, 2021, the Company acquired all of the issued and outstanding shares of MDBriefCase Group Inc. ("MDBriefCase"). The purchase price for this acquisition was \$27,171 paid as follows:

- Cash consideration of \$5,396 paid on the closing of the acquisition;
- The issuance of 5,230,242 common shares of the Company with a fair market value of \$3.77 per share or \$19,696, discounted from \$4.25 per share as the shares were subject to lock-up provisions;
- Net working capital settlement receivable of \$876; and
- Contingent consideration with a fair value of \$2,955 that is contingent on the achievement of certain future financial targets, due over the next two years payable in cash or shares at the Company's discretion.

The purchase price allocation for this acquisition is preliminary and subsequent adjustments during the measurement period will occur as the Company completes its estimation of the fair value of assets acquired and liabilities assumed, including valuation of intangible assets.

Clinic 360 Inc.

On January 29, 2021, the Company acquired all of the issued and outstanding shares of Clinic 360 Inc. ("Clinic 360"). The purchase price for this acquisition was \$4,911 paid as follows:

- Cash consideration of \$250 paid on the closing of the acquisition;
- The issuance of 1,183,017 common shares of the Company with a fair market value of \$3.89 per share or \$4,605, discounted from \$4.25 per share as the shares were subject to lock-up provisions; and
- Net working capital settlement of \$56.

The purchase price allocation for the acquisition is preliminary, and subsequent adjustments during the measurement period will occur as the Company completes its estimation of the fair value of assets acquired and liabilities assumed, including valuation of intangible assets.

HCP acquisition

On December 23, 2020 the Company acquired all of the issued and outstanding shares of 2775554 Ontario Inc. (the "HCP acquisition"). The purchase price for this acquisition was \$13,463 paid as follows:

- A cash payment of \$1,850 made on the closing of the acquisition and future cash consideration, net of working capital and other adjustments, of \$174 due nine months from the closing date;
- The issuance of 2,532,214 restricted common shares of the Company with a fair market value of \$4.13 per share, discounted from \$4.65 per share as the shares were subject to lock-up provisions, or \$10,458; and
- A four-year option provided to the vendor with a fair value of \$981, using the Black-Scholes option pricing model, giving the vendor the right to repurchase one of the acquired subsidiaries based on a purchase price as defined in the purchase agreement.

Think Research Corporation (formerly AIM 4 Ventures Inc.)

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(In thousands of Canadian dollars, except share and per share amounts)

2775554 Ontario Inc., immediately prior the closing of the transaction with the Company, acquired:

- 100% of the shares of 2538606 Ontario Inc.;
- 100% of the shares of 2538393 Ontario Inc.;
- 100% of the shares of 2448430 Ontario Inc.;
- 49% of the shares of 11419501 Canada Inc., a licensed pharmacy (“HCP Pharmacy”);
- 100% of the shares of CIMCC; and
- 100% of the shares of Ariontech Inc.

On acquisition, the non-controlling interests in HCP Pharmacy were measured at fair value, which was a nominal amount.

The purchase price allocation for the acquisition is preliminary, and subsequent adjustments during the measurement period will occur as the Company completes its estimation of the fair value of assets acquired and liabilities assumed, including valuation of intangible assets.

AirMed Trials Inc.

On February 26, 2020, the Company purchased 100% of the issued and outstanding shares of AirMed Trials Inc. (“AirMed”). AirMed is a healthcare information technology company, focusing specifically on clinical trials and workflow optimization. Pursuant to the agreement, AirMed was acquired for consideration comprised of \$350 of cash, 53,000 common shares of the Company with an estimated fair value of \$350 and contingent consideration with an estimated fair value of \$177. An initial cash payment of \$250 was made on the acquisition date, with the remaining \$100 of cash consideration paid on July 1, 2020.

The contingent consideration, which includes cash and common shares, is payable over a 36-month period following the acquisition date and is contingent upon meeting certain revenue targets.

5 Property and equipment

	Computer hardware	Furniture and office equipment	Leasehold improvements	Other equipment	Total
	\$	\$	\$	\$	\$
Cost					
Balance, January 1, 2021	891	424	246	938	2,499
Acquired from acquisitions (see Note 4)	84	670	614	-	1,368
Additions	35	258	308	-	601
Disposals	-	(26)	(14)	-	(40)
Balance, September 30, 2021	1,010	1,326	1,154	938	4,428
Accumulated depreciation					
Balance, January 1, 2021	728	267	56	937	1,988
Depreciation	68	83	45	1	197
Disposals	-	(5)	(4)	-	(9)
Balance, September 30, 2021	796	345	97	938	2,176
Net book value					
January 1, 2021	163	157	190	1	511
September 30, 2021	214	981	1,057	-	2,252

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2021 and 2020

(In thousands of Canadian dollars, except share and per share amounts)

6 Intangible assets

	Trademarks and patents	Technology	Internally developed software	Purchased software	Customer lists	Contracts and licenses	Trial network	Non- competition	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Balance, October 1, 2020	33	476	-	128	-	-	-	-	637
Acquired from acquisitions (see Note 4)	-	-	-	934	863	141	-	-	1,938
Balance, December 31, 2020	33	476	-	1,062	863	141	-	-	2,575
Additions	-	-	1,277	11	-	-	-	-	1,288
Acquired from acquisitions (see Note 4)	1,194	13,419	-	796	16,919	-	6,865	594	39,787
Balance, September 30, 2021	1,227	13,895	1,277	1,869	17,782	141	6,865	594	43,650
Accumulated amortization									
Balance, October 1, 2020	26	106	-	122	-	-	-	-	254
Amortization	1	38	-	1	-	-	-	-	40
Balance, December 31, 2020	27	144	-	123	-	-	-	-	294
Amortization	26	839	-	124	660	16	125	79	1,869
Balance, September 30, 2021	53	983	-	247	660	16	125	79	2,163
Net book value									
December 31, 2020	6	332	-	939	863	141	-	-	2,281
September 30, 2021	1,174	12,912	1,277	1,622	17,122	125	6,740	515	41,487

7 Goodwill

The carrying amount of the Company's goodwill is as follows:

	\$
Balance, October 1, 2020	527
Acquired from acquisitions (see Note 4)	11,817
Balance, December 31, 2020	12,344
Acquired from acquisitions (see Note 4)	40,457
Balance, September 30, 2021	52,801

8 Bank loan

The Company's borrowings under its credit facility as at September 30, 2021 and December 31, 2020 can be broken down as follows:

	September 30, 2021	December 31, 2020
	\$	\$
Borrowings	21,179	-
Less: debt issuance costs, net of accumulated amortization	(579)	-
	20,600	-

Amended Credit Facility

On June 25, 2021, the Company replaced its existing credit facility that was expiring with an amended credit facility (the "Amended Credit Facility") that increased the existing operating line of credit of the Company from \$10,000 to \$15,000. The Amended Credit Facility also included an acquisition facility of \$10,000 for aggregate total credit availability of up to \$25,000. The interest rates for the Amended Credit Facility were floating, based on a margin over certain referenced rates of interest and varied up or down based on the leverage of the Company, as defined in the Amended Credit Facility.

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New Credit Facility

On September 10, 2021, the Company refinanced the Amended Credit Facility with a new credit facility (the "New Credit Facility"). The New Credit Facility includes a \$22 million revolving credit facility, a \$6 million revolving acquisition facility, and a \$10 million uncommitted accordion that can be allocated to either facility at the Company's discretion. The interest rate for the revolving credit facility is based on the prime rate + 1.00% or bankers acceptance rates + 2.50%. The interest rate for the revolving acquisition facility is based on a sliding scale pricing model, based on net funded debt to EBITDA of the Company, as defined in the New Credit Facility agreement.

The New Credit Facility represents a two-year committed agreement that expires on September 10, 2023, with an option to extend by an additional year at the lender's discretion.

The New Credit Facility is secured by a first-ranking general security agreement covering substantially all the assets of the Company and its subsidiaries. The Credit Agreement is subject to certain financial and non-financial covenants. As at September 30, 2021, the Company was in compliance with the financial and reporting covenants.

During the three and nine months ended September 30, 2021, the Company recognized interest expense of \$661 and \$959, respectively (three months and nine months ended September 30, 2020 - \$114 and \$287, respectively) in relation to its bank indebtedness.

9 Right-of-use assets and lease liabilities

The following table presents the movement in the right-of-use assets of the Company:

	Office premises
	\$
Cost	
Balance, October 1, 2020	4,263
Additions from business acquisitions (Note 4)	630
Balance, December 31, 2020	4,893
Additions	652
Additions from business acquisitions (Note 4)	8,931
Disposals	(430)
Balance, September 30, 2021	14,046
Accumulated depreciation	
Balance, October 1, 2020	1,650
Depreciation	413
Balance, December 31, 2020	2,063
Depreciation	1,822
Disposals	(105)
Balance, September 30, 2021	3,780
Net book value	
December 31, 2020	2,830
September 30, 2021	10,266

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The following schedule shows the movement in the Company's lease liabilities:

	\$
Balance, October 1, 2020	2,937
Interest expense on lease liabilities	80
Assumed as part of acquisitions (see Note 4)	630
Interest paid	(80)
Lease repayments	(284)
Rent concessions	(120)
Other	5
Balance, December 31, 2020	3,168
Interest expense on lease liabilities (Note 12)	374
Additions	652
Assumed as part of acquisitions (see Note 4)	8,931
Interest paid	(374)
Lease repayments	(1,638)
Rent concessions	(120)
Balance, September 30, 2021	10,993

A reconciliation of the current and non-current components of the lease liabilities as at September 30, 2021 is as follows:

	\$
Current	3,329
Non-current	7,664
	10,993

10 Commitments and contingencies

On September 28, 2018 (the "Execution Date"), the Company entered into a 12-year lease agreement for a new office space with an expected commencement date of December 1, 2022. However, as a result of the effects of COVID-19, which delayed construction, the Company does not anticipate taking possession of this space until late 2023. As the lease has not commenced, a right-of-use asset and lease liability have not been recognized on the unaudited condensed consolidated interim statement of financial position. Annual rent is \$2,881 for the first five years, \$3,180 for years six to ten and \$3,510 for years 11 to 12.

Contingencies

In the ordinary course of business, from time to time, the Company is involved in various claims related to operations, rights, commercial, employment or other claims. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to these claims to be material to these interim financial statements.

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11 Employee benefits

Employee benefits include salaries, wages, benefits and stock-based compensation. The following amounts were recognized as an expense in the consolidated interim statements of operations and comprehensive income (loss) in respect of employee benefits:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	\$	\$	\$	\$
Cost of goods sold	3,026	811	7,083	2,594
Operating expenses	9,791	1,976	22,492	9,804
	12,817	2,787	29,575	12,398

Operating expenses for the three months and nine months ended September 30, 2021 included stock-based compensation expense of \$2,145 and \$5,197, respectively (three months and nine months ended September 30, 2020 - \$139 and \$641, respectively). In addition to the employee benefits, there is capitalized labour for the three months and nine months ended September 30, 2021 of \$300 and \$1,277, respectively.

12 Finance costs

Finance costs consist of the following:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	\$	\$	\$	\$
Interest expense on:				
Bank indebtedness	661	114	959	287
Lease liabilities	139	89	374	293
Class A preferred shares	-	180	-	551
Other	-	36	8	74
	800	419	1,341	1,205

13 Revenue

The Company provides product licenses and customizes software for customers under a SaaS model. The Company has one operating segment. The Company's business activity consists of the development and commercialization of these products. The chief executive officer ("CEO") is the Company's chief operating decision-maker, as defined by IFRS 8, *Operating Segments*, and all significant operating decisions are taken by the CEO. In assessing performance, the CEO reviews financial information on an integrated basis for the Company as a whole, substantially in the form of, and on the same basis as, the Company's consolidated interim financial statements.

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The Company's total revenue by geographic market are as follows:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	\$	\$	\$	\$
Canada	7,984	3,138	23,244	11,883
United States	1,146	422	3,136	1,173
International	953	425	2,294	573
	10,083	3,985	28,674	13,629

14 Share capital

Common shares

Issued and outstanding

	#	\$
Balance, January 1, 2021	36,099,904	106,567
Issuance of common shares as part of private placement, net of share issuance costs	6,413,371	12,608
Issuance of common shares in settlement of debt	56,364	124
Issuance of common shares as consideration for acquisitions (see Note 4)	14,481,366	42,169
Common shares issued on the exercise and conversion of equity awards	344,966	1,359
Balance, September 30, 2021	57,395,971	162,827

On September 10, 2021, the Company issued 6,413,371 common shares at a price of \$2.20 per common share for gross proceeds of \$14,109, as part of a private placement of common shares. The share issuance costs incurred for this private placement were \$1,501, including the issuance of 256,534 broker warrants with a fair market value of \$185 using the Black-Scholes pricing model. The Company also issued 56,364 common shares at a price of \$2.20 per common share and a value of \$124 to settle debt advisory services related to the private placement.

Share-based compensation

The following table is a summary of the stock-based compensation recognized in the interim financial statements for the three and nine months September 30, 2021 and 2020:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	\$	\$	\$	\$
Options	695	139	2,635	641
Restricted Share Units	1,450	-	2,476	-
Deferred Share Units	-	-	86	-
	2,145	139	5,197	641

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Options

During the nine months ended September 30, 2021, the Company granted 866,000 options under the Company's Omnibus Equity Incentive Plan (the "Incentive Plan"). The following assumptions were used to estimate the fair value of stock options granted during this period:

Weighted average fair value per common share	\$ 2.66
Weighted average exercise price	\$ 3.84
Expected volatility	93%
Expected option life in years	4.8
Expected dividend yield	0%
Risk-free interest rate	0.57%

Restricted Share Units ("RSUs")

During the nine months ended September 30, 2021, the Company granted 338,333 RSUs under the Company's Incentive Plan with a weighted average fair value of \$2.84 per a RSU on the grant date. Each RSU was determined to have a fair value based on the closing price of the Company's common shares on the date of grant. The RSUs granted had vesting ranges from immediate through to August 2024.

Deferred Share Units ("DSUs")

During the nine months ended September 30, 2021, the Company granted 21,505 DSUs under the Company's Incentive Plan with a weighted average fair value of \$3.95 per a DSU on the grant date. Each DSU was determined to have a fair value based on the closing price of the Company's common shares on the date of grant and vested immediately.

15 Acquisition, restructuring and other

Acquisition, restructuring and other consist mainly of professional fees associated with acquisitions completed (see Note 4) and workforce optimization costs. For the three months ended September 30, 2021, acquisition, restructuring and other are composed of acquisition costs of \$1,123, restructuring costs of \$1,434, and a sublease loss of \$243, and for the nine months ended September 30, 2021, it is composed of acquisition costs of \$2,766, restructuring costs of \$1,478, and a sublease loss of \$243 partly offset by a gain on rent concession of \$120.

16 Net change in operating components of working capital

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	\$	\$
Accounts receivable and other	(11)	985
Investment tax credits	1,152	293
Prepaid expenses and deposits	312	(1,271)
Accounts payable and accrued liabilities	(9,587)	869
Future equity consideration to vendor	6,429	-
Deferred revenue	1,474	(2,193)
Government financing	(336)	-
	(567)	(1,317)

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17 Contingent consideration

Contingent consideration is a financial instrument carried at fair value through profit or loss and arose on certain acquisitions as noted in Note 4. In these acquisitions, the sellers are entitled to receive an amount based on the percentage of revenue that exceeds certain revenue targets or net income before interest and taxes achieved.

The fair value of the contingent consideration related to acquisitions with consideration contingent on revenue targets being achieved was calculated using a pricing model, based on anticipated revenue, the applicable discount rate, the volatility in revenue, the risk-free rate and the target revenue required to be achieved. The fair value of the contingent consideration related to acquisitions with consideration contingent on net income before interest and taxes achieved was calculated based on the expected payouts, discounted.

The change in contingent consideration is as follows:

	\$
Balance, October 1, 2020	177
Remeasurement	54
Balance, December 31, 2020	231
Additions (see Note 4)	6,407
Accretion	8
Write-off of AirMed contingent consideration	(137)
Remeasurement	417
Balance, September 30, 2021	6,926

18 Subsequent events

On November 4, 2021, the Company announced that it has acquired certain assets of Pharmapod Limited ("Pharmapod") through a receivership process. The fair value of consideration paid was approximately \$829.