Think Research Corporation

Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A") FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

Basis of Presentation

This management's discussion and analysis ("MD&A") for Think Research Corporation ("Think" or the "Company") should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and 2020 (the "Financial Statements") and the related notes thereto, and Think's audited annual consolidated statements and the related notes thereto for the three months ended December 31, 2020. Unless the context otherwise requires, all references to "Think" or the "Company" refers to Think Research Corporation and its subsidiaries.

The Company presents its financial statements in Canadian dollars and in this MD&A all references to "$" or "dollars" and amounts are in Canadian dollars unless otherwise indicated. All figures are presented in thousands of dollars unless otherwise indicated. Due to rounding, certain totals and subtotals may not foot and certain percentages may not reconcile.

Information contained in this MD&A is based on information available to management as of November 26, 2021.

Additional information relating to Think, including the Company's Annual Information Form, is available under the Company's profile on SEDAR at www.sedar.com.

Introduction

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. 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.

To align the Company's fiscal year end to a calendar year end as a public company, on December 23, 2020 Think changed its fiscal year end date from September 30 to December 31. As such, the most recently completed fiscal year commenced on October 1, 2020 and ended December 31, 2020, while the second most recently completed fiscal year commenced October 1, 2019 and ended on September 30, 2020. Now, the fiscal years commence on January 1st of each year and end on December 31st. Other fiscal periods are referenced by the applicable year during which the fiscal period ends. For example, our fiscal year that will end on December 31, 2021 will be referred to as “fiscal 2021,” “2021” or using similar words and the “third quarter of 2021” will refer to the quarter ended September 30, 2021.

Caution Regarding Forward Looking Information

Certain statements in this MD&A, other than statements of historical fact, contain “forward-looking information” within the meaning of Canadian securities laws and are based on certain assumptions and reflect the Company’s current expectations with respect to such matters. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies, competitive strengths and outlook of the Company, expansion of the Company, the expected impact of the COVID-19 pandemic on the Company, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and statements included under “Outlook”. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “seeks”, “intends”, “targets”, “projects”, “forecasts”, “committed” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Company’s control, affect the operations, performance and results of the Company, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, fluctuations in interest rates, inflation and foreign exchange rates, monetary policies, business investment and the health of local and global equity and capital markets, changes in technology, management of market liquidity and funding risks, risks associated with financial instruments, changes in accounting policies and methods used to report financial condition (including uncertainties associated with significant judgments, estimates and assumptions), reliance on third party services, the effect of applying future accounting changes, privacy and confidentiality risks, product and service defects, medical liability claims, business competition, operational and reputational risks, technological changes, cybersecurity risks, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, man-made disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises (such as COVID-19), the Company’s ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company’s success in anticipating and managing the foregoing factors.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. The Company has based the forward-looking statements on current expectations and projections about future events which management believes may affect the Company's financial condition, results of operations, business strategy and financial needs. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances and that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Company. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Company's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in the Company's disclosure materials, including the Company's most recently filed annual information form, which are available under the Company's profile on SEDAR at www.sedar.com.

Cautionary Note Regarding Non-IFRS Measures

This MD&A makes reference to certain non-International Financial Reporting Standards measures. These measures are not recognized measures under International Financial Reporting Standards ("IFRS"), do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. The Company's definitions of non-IFRS measures used in this MD&A may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS financial measures, including "EBITDA" and "Adjusted EBITDA" to provide investors with supplemental measures of its operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Specifically, the Company believes that Adjusted EBITDA, when viewed with the Company's results under IFRS and the accompanying reconciliations, provides useful information about the Company's business without regard to potential distortions. By eliminating potential differences in results of operations between periods caused by factors such as restructuring, impairment and other charges, the Company believes that Adjusted EBITDA can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. The Company believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period.

"**EBITDA**" means net income (loss) before amortization and depreciation expenses, finance and interest costs, and provision for income taxes.

"**Adjusted EBITDA**" adjusts EBITDA for non-cash stock-based compensation expense, gains or losses arising from redemption of securities issued by the Company, asset impairment charges, gains or losses from disposals of property and equipment, foreign exchange gains or losses, impairment charges on property and equipment, business acquisition costs, and restructuring charges.

See "Select Information and Reconciliation of Non-IFRS Measures" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.

Overview

Think is a healthcare technology company digitalizing the delivery of knowledge to facilitate better health care outcomes. The Company gathers, develops, and delivers a knowledge-based Software-as-a-Service ("SaaS") solution globally to customers which typically includes enterprise clients, hospitals, health regions, health care professionals, and / or governments. The Company has gathered a significant amount of data by building its repository of knowledge through its network and group of companies (including acquired companies) which is later delivered as a SaaS solution to its partners.

Think licenses its solutions to over 13,000 facilities for over 300,000 primary care, acute care, and long-term care doctors, nurses and pharmacists that rely on the content and data to support their practices. In addition, the company collects and manages pharmaceutical and clinical trial data via the BioPharma entity. Millions of patients and residents annually receive better care due to the essential data that Think produces, manages and delivers.

On December 23, 2020 the Company acquired clinics and pharmacies, collectively referred to as Health Care Plus ("HCP"), which serve as test beds for the Company's solutions and products. The Company also closed its RTO transaction on this day and raised aggregate gross proceeds of $33 million, and on December 30, 2020 began trading on the TSX.V.

On January 29, 2021, the Company closed the acquisition of MDBriefCase Group Inc. ("MDBriefCase") — a continuing medical education and professional development solutions provider to a significant number of clinicians globally. On the same day, the Company also closed the acquisition of Clinic 360 Inc. ("Clinic 360").

On September 10, 2021 the Company closed the acquisition of BioPharma Services Inc. (“BioPharma”), a clinical research organization (“CRO”).

On November 4, 2021, the Company acquired certain assets of Pharmapod Limited (“Pharmapod”) through a receivership process.

Consolidated Highlights

Financial highlights for the three and nine months ended September 30, 2021

- The results of Q3 2021 were negatively affected by the effects of COVID-19, leading to an impact on revenue, gross profit, and EBITDA; due to spikes in COVID-19 virulence during the time period, some revenue trajectories were negatively affected due to patient cancellations and no-shows for clinical procedures and studies. In particular, this impacted BioPharma which derives its revenue from research studies that require minimum patient enrollment. Because of enrollee cancellations, certain studies had to be redone which also resulted in lower margins.
- Achieved revenue of $10.1 million and $28.7 million for the three and nine months ended September 30, 2021, respectively, an increase of 153% and 110%, respectively, compared to the same periods in the prior year.
- Adjusted EBITDA was $(3.4) million and $(6.4) million for the three and nine months ended September 30, 2021, respectively, compared to $0.6 million and $(2.1) million, respectively, for the same periods in the prior year.
- Net income was $(10.8) million and $(21.3) million for the three and nine months ended September 30, 2021, respectively, compared to $(0.3) million and $(5.0) million, respectively, for the same periods in the prior year. For both periods, the decrease in net income was primarily due to higher expenses related to acquisitions, higher expenses to support continued business growth, higher non-cash stock-based compensation and amortization on acquired intangibles, partially offset by higher revenue.

Acquisitions

- On January 29, 2021, the Company closed the acquisitions of MDBriefCase, a leading provider of online continuing medical education and professional development solutions for clinicians, and Clinic 360, a specialist in elective and cosmetic surgery.
- On September 10, 2021, the Company acquired all of the issued and outstanding shares of BioPharma, a leading CRO. The acquisition adds significant scale to the Company, provides revenue and cost synergies, and establishes the Company as a leader in the CRO industry. Currently in Canada, there are no public company CROs and as such, this presents investors a unique opportunity to garner exposure to this sector that is experiencing robust industry growth of 7.8% (source: Global Market Insights).

- On November 4, 2021, the Company acquired certain assets of Pharmapod Limited (“Pharmapod”) through a receivership process. Pharmapod operates a software-as-a-service (“SaaS") electronic data capture solution that reports medications errors to improve patient safety and simplify pharmacy reporting.

Financing

- On June 25, 2021, the Company replaced its existing credit facility with an amended credit facility (the “Credit Facility”) that increased the Company’s operating line of credit from $10 million to $15 million.
- On September 10, 2021, the Company replaced the Credit Facility with a new credit facility (the “New Credit Facility”) with the Bank of Nova Scotia. 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 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.
- In connection with the closing of the acquisition of BioPharma, the Company also completed a non-brokered private placement of common shares (the "Offering"), issuing a total of 6,413,371 common shares of the Company at a price of $2.20 per common share, for aggregate gross proceeds of approximately $14.1 million. The approximately $12.9 million net proceeds of the Offering, net of finders fees and other Offering-related costs, were used to fund a portion of the cash consideration for the acquisition of BioPharma, as well as integration and other transaction costs.

Select Information and Reconciliation of Non-IFRS Measures

The following table summarizes the Company's recent results of operations as of the dates and for the periods indicated below. The information should be read together with the Company's Financial Statements. See also "Cautionary Note Regarding Non-IFRS Measures."

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	$	$	$	$
Net loss	(10,828)	(333)	(21,453)	(5,042)
Depreciation and Amortization	1,665	500	3,888	1,489
Finance costs	800	419	1,341	1,205
Income tax expense (recovery)	15	(26)	20	(26)
EBITDA[1]	**(8,348)**	**560**	**(16,204)**	**(2,374)**
Acquisition, restructuring and other[2]	2,801	(143)	4,368	(309)
Stock-based compensation[3]	2,145	129	5,197	641
Foreign exchange loss (gain)[4]	(1)	53	245	(18)
Adjusted EBITDA[1]	**(3,403)**	**599**	**(6,394)**	**(2,060)**

Notes:

(1) "EBITDA" and "Adjusted EBITDA" are not recognized measures under IFRS. See "Cautionary Note Regarding Non-IFRS Measures".

(2) "Acquisition, restructuring and other" relate to costs incurred in connection with business combinations, reorganization of the Company's capital structure and workforce, and legal, advisory and banking expenses.

(3) "Stock-based compensation" relates to stock-based compensation expense recognized for equity awards issued under the Company's Omnibus Equity Incentive Plan.

(4) "Foreign exchange loss (gain)" relates to foreign exchange fluctuations.

Selected Financial Information

Three and nine months ended September 30, 2021 and September 30, 2020

(in thousands of Canadian $, except per share information)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	$	$	$	$
Revenue	**10,083**	**3,985**	**28,674**	**13,629**
Cost of sales	**(5,832)**	**(901)**	**(13,400)**	**(4,426)**
Gross margin	**4,251**	**3,084**	**15,274**	**9,203**
Operating expenses				
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	(1,665)	(500)	(3,888)	(1,489)
Total operating expenses	**(11,464)**	**(3,114)**	**(30,753)**	**(13,393)**
Loss before other income (expenses) and taxes	**(7,213)**	**(30)**	**(15,479)**	**(4,190)**
Other income (expenses)				
Acquisition, restructuring and other	(2,801)	143	(4,368)	309
Finance costs	(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				
Items 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

Discussion of Operations

Revenue

For the three months ended September 30, 2021 the Company generated quarterly revenue of $10,083 compared to $3,985 for the three months ended September 30, 2020, an increase of $6,098 or 153%. The increase was driven primarily by acquisition-related growth, including the inclusion of BioPharma financial results since its acquisition date of September 10, 2021.

The results of Q3 2021 were negatively affected by the effects of COVID-19, leading to an impact on revenue, gross profit, and EBITDA; due to spikes in COVID-19 virulence during the time period, some revenue trajectories were negatively affected due to patient cancellations and no-shows for clinical procedures and studies.

For the nine months ended September 30, 2021, the Company generated revenue of $28,674 compared to $13,629 for the nine months ended September 30, 2020, an increase of $15,045 or 110%. The increase is primarily attributable to revenue and organic growth from recently completed acquisitions and revenue growth in the Company's digital referrals software, as well as in the United States and internationally; partially offset by a decrease in revenue related to fiscal 2020 from Ontario Quality Based Procedures ("QBP") due to contract expiry, and the Ontario Long-Term Care Association ("OLTCA") Clinical Support Tools program contract being re-negotiated at a lower rate.

Cost of Sales

Cost of sales increased from $901 to $5,832 or 547% when comparing the three months ended September 30, 2021 to the same period in the prior year. Comparing the nine months ended September 30, 2021 to the same period in the prior year, cost of sales increased from $4,426 to $13,400 or 203%. In both periods, the change was related to the increase in revenue, contributions from acquisitions, and the impact from the acquired clinics and BioPharma which have a higher proportion of cost of sales relative to revenue.

Gross Margin

During the three months ended September 30, 2021, the Company generated gross margin of $4,251 compared to $3,084 for the same period in the prior year, an increase of 38%. For the nine months ended September 30, 2021, the Company generated gross margin of $15,274 compared to $9,203 for the same period in the prior year, an increase of 66%. In both periods, the increase in gross margin was primarily related to the increase in revenue and impact from acquisitions as well as an improving margin profile in the Company's core software business.

For the three months ended September 30, 2021 the Company generated a gross margin percentage of 42%, compared to 77% for the same period in the prior year. For the nine months ended September 30, 2021 the Company generated a gross margin percentage of 53%, compared to 68% for the same period in the prior year. The gross margin percentage in both periods was affected by the impact of the change in revenue mix as a result of the expiration of the QBP contract in March, 2020, and the 2021 addition of having clinics and BioPharma revenue present in the fiscal 2021 results at a lower margin.

As mentioned above, the business was also negatively affected from COVID-19 resulting in a decrease in Gross Margin. In particular, this impacted BioPharma which derives its revenue from research studies that require minimum patient enrollment. Because of enrollee cancellations, certain studies had to be redone which also resulted in lower margins.

Expenses

- General and administration expenses increased from $901 for the three months ended September 30, 2020 to $6,201 for the three months ended September 30, 2021. For the nine months ended September 30, 2021, general and administration expenses increased to $15,727 from $4,727 for the nine months ended September 30, 2020. In both periods, the increase was primarily due to acquisitions completed during the past twelve months, higher salaries and wages to support the continued growth of the business, and higher stock-based compensation.
- Research and development expenses increased from $1,187 for the three months ended September 30, 2020 to $1,590 for the three months ended September 30, 2021. For the nine months ended September 30, 2021, research and development expenses increased to $5,050 from $4,664 for the nine months ended September 30, 2020. In both periods, the increase in research and development expenses was to support continued growth of the business, partially offset by synergies achieved during the periods. .
- Sales and marketing expenses increased from $526 for the three months ended September 30, 2020 to $2,008 for the three months ended September 30, 2021. For the nine months ended September 30, 2021, sales and marketing expenses increased to $6,088 from $2,513 for the nine months ended September 30, 2020. In both periods, the increase was primarily due to acquisitions completed during the previous twelve months, branding activities to continue to elevate the Think brand, and higher salaries and wages to support continued business growth.
- Depreciation and amortization increased from $500 for the three months ended September 30, 2020 to $1,665 for the three months ended September 30, 2021. For the nine months ended September 30, 2021, depreciation and amortization increased to $3,888 from $1,489 for the nine months ended September 30, 2020. In both periods, the increase was primarily due to amortization of acquired intangibles and depreciation on lease premises acquired through acquisitions.
- Acquisition, restructuring and otherfor the three and nine months ended September 30, 2021 was $2,801 and $4,368 respectively, compared to $(143) and $(309) for the comparative periods in the prior year respectively. In both periods, the increase was primarily due to the acquisitions that were completed or in progress in the past twelve months, including for resultant workforce optimization initiatives. Acquisition, restructuring and other are partially offset by a gain on rent concession of $nil and $(120) for the three

and nine months ended September 30, 2021, compared to $(143) and $(309) for the comparative periods in the prior year respectively.

- Finance costs increased from $419 for the three months ended September 30, 2020 to $800 for the three months ended September 30, 2021. For the nine months ended September 30, 2021, finance costs increased to $1,341 from $1,205 for the nine months ended September 30, 2020. In both periods, the increase was primarily due to the amortization of initially deferred financing costs with respect to the Credit Facility, and higher average bank indebtedness, offset by the interest in prior periods on the Class A Preferred shares which were redeemed on December 23, 2020.

Net income

Net income decreased by $10,495 for the three month period ended September 30, 2021 compared to the same period in the prior year, and by $16,411 for the nine month period ended September 30, 2021 compared to the same period in the prior year. In both periods, the decrease was primarily due to higher expenses related to acquisitions, higher expenses to support continued business growth, higher non-cash stock-based compensation and amortization on acquired intangibles, partially offset by higher revenue.

Financial condition

	September 30, 2021 $	December 31, 2020 $
Cash	5,984	10,875
Total assets	129,282	34,503
Total non-current liabilities	35,062	2,844
Dividends paid to Class B Preferred shareholders	-	61

Total assets increased from December 31, 2020 to September 30, 2021 primarily due to assets acquired from acquisitions that closed during the fiscal year.

Total non-current liabilities increased from December 31, 2020 to September 30, 2021 primarily due to the increase in bank debt, liabilities assumed from acquisitions and contingent consideration payable on these acquisitions.

Cash flows

The primary source of cash flows is cash collected from SaaS-related revenue, in addition to pharmacy, clinic, and CRO related revenue. The Company’s approach to liquidity is to always have sufficient liquidity to meet its liabilities as they come due. This is achieved by continuously monitoring cash flows and reviewing actual operating expenditures and revenue against the Company’s budgets.

Cash Flows (in thousands of Canadian dollars)	**Three months ended September 30, 2021** **$**	**Three months ended September 30, 2020** **$**	**Nine months ended September 30, 2021** **$**	**Nine months ended September 30, 2020** **$**
Cash provided by (used in) operating activities	(5,158)	573	(11,321)	(3,510)
Cash provided by (used in) financing activities	22,853	(804)	30,596	3,335
Cash used in investing activities	(18,469)	(5)	(24,166)	(388)
Change in cash	(774)	(236)	(4,891)	(563)
Cash, beginning of period	6,758	1,613	10,875	1,940
Cash, end of period	**5,984**	**1,377**	**5,984**	**1,377**

Cash provided by operating activities was $(5,158) for the three months ended September 30, 2021 compared to $573 for the same period in the prior year. The primary reason for the decrease was less favourable changes in net working capital, including timing of receipts from government contracts.

Cash used in operating activities was $(11,321) for the nine months ended September 30, 2021 compared to $(3,510) for the same period in the prior year. The primary reason for the increase in cash used in operating activities for the nine months ended September 30, 2021 was due to transaction fees related to acquisitions and investment in salaries and wages to support continued business growth.

Cash provided by financing activities was $22,853 for the three months ended September 30, 2021 compared to $(804) for the same period in the prior year. The increase in cash provided by financing activities was primarily due to higher loans and borrowings during the period, and proceeds raised from the Offering.

Cash provided by financing activities was $30,596 for the nine months ended September 30, 2021 compared to $3,335 for the same period in the prior year. The increase in cash flows from financing activities was primarily due to the loan refinancing to close the BioPharma acquisition resulting in net proceeds of approximately $21,179 and gross proceeds of $14,109 raised from the Offering that was used to complete the BioPharma acquisition, offset by higher payments related to lease liabilities.

Cash used in investing activities was $(18,469) for the three months ended September 30, 2021 compared to $(5) for the same period in the prior year, primarily due to acquisition consideration paid and higher capital expenditures.

Cash used in investing activities was $(24,166) for the nine months ended September 30, 2021 compared to $(388) for the same period in the prior year. The increase was primarily due to acquisition consideration paid and higher capital expenditures.

Capital Expenditures

For the nine months ended September 30, 2021, capital expenditures for property and equipment and intangible assets were $1,889 compared to $38 for the same period in the prior year.

Quarterly Financial Highlights

Prior to September 2020, the Company has not maintained financial records on a quarterly basis. Moving forward it has implemented the necessary practices to maintain quarterly financials for subsequent reporting periods.

Liquidity and Capital Resources

The Company manages its capital structure based on the funds available to it in order to support the continuation and expansion of its operations, as well as maintaining a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company defines capital to include share capital, the stock option component of its shareholders' equity, as well as its borrowings. The Company intends to rely on positive cash flows from operations and, if required, additional financings to achieve its growth strategies.

Financial instruments and risk management

The Company's financial instruments consist of cash, accounts receivable and other, accounts payable and accrued liabilities, bank debt, contingent consideration, government financing, license agreement payable and lease liabilities. The carrying value of financial instruments classified at amortized cost approximate their fair value due to their short-term nature.

Credit and concentration risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash, and accounts receivable and other. Cash is maintained at reputable Canadian, U.S., European and Australian financial institutions; therefore, the Company considers the risk of non-performance to be remote. The Company sells its products to a diverse customer base consisting of businesses and government entities residing in various geographic regions and from various demographic segments. The Company evaluates the creditworthiness of the corresponding counterparties at regular intervals and generally requires pre-payment from most customers.

Allowances are maintained for potential credit losses consistent with credit risk and other information. The Company does not use credit derivatives or similar instruments to mitigate credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through monitoring cash outflows due in its day-to-day business and by regular cash flow forecasting of cash requirements to fund research and development. The Company's liabilities include trade accounts payable and accrued liabilities all of which are due within normal trade terms of generally 30 days.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's earnings or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is subject to interest rate cash flow risk as the interest rates on the Company's New Credit Facility are floating, based on a sliding scale pricing model, and may vary up or down based on the net funded debt to EBITDA of the Company, as defined in the New Credit Facility agreement. As the Company currently has negative EBITDA, pricing is based on the upper tier of the sliding scale pricing model.

Foreign exchange risk

There is financial risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company currently does not use derivative instruments to hedge its exposure to foreign currency risk, which is primarily limited to the United States Dollar, European Euro and Australian Dollar.

Commitments

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 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.

Research and Development

The Company applies judgment in determining whether internal research and development ("R&D") projects meet the qualifying criteria for capitalization set out in IFRS International Accounting Standard 38 Intangible Assets. There is particular uncertainty and judgment around whether a project will be commercially successful, particularly in the pre-revenue phase. The Company is currently investing in the following projects:

- VirtualCare ("VC") – Enhancements to the Company's existing VC collaboration tool which will streamline and enhance the user experience. The Company expects to complete this project by the fourth quarter of 2021 and approximately two-thirds of the work has been completed as of the date of this MD&A. Additional steps to complete this project include finishing development of the enhancements, testing, and implementation. The Company also intends to use VC in collaboration with the new health care navigation service ("HCNS") contract that was recently announced on November 15, 2021

- eReferral – Automation work is being completed for cost savings and to enhance the user experience, which will increase customer retention. The Company expects to complete this project within the next twelve months and the work is approximately sixty-five percent complete as of the date of this MD&A. Additional steps to complete this project include finishing development related work, testing, and implementation.

Royalty

The Company is committed to pay a 1% royalty on gross revenue from Acute Care Order Set products and Quality Based Procedure products for a period of 20 years ending on July 31, 2036.

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 the Financial Statements.

Credit Facilities

The Company's 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 ("BA's) + 2.50%. The interest rate for the revolving acquisition facility is based on a sliding scale pricing model, based on the net funded debt to EBITDA of the Company, as defined in the New Credit Facility agreement. As at September 30, 2021, the Company had drawn $6.0 million of the term loan, and $15.2 million of the Revolver (which has total availability of $22 million) for a total amount drawn of $21.2 million. Factoring in debt issuance costs, net of accumulated amortization the total amount of bank debt of the Company is $20.6 million.

The New Credit Facility has a term of two years, maturing on September 10, 2023, provided that the lender may extend the term of the revolving credit facility for an additional term of one year.

As at September 30, 2021, the Company was in compliance with its covenants.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as of the date of this MD&A.

Transactions Between Related Parties

The Company has not entered into any related party transactions, other than transactions in the normal course of operations with subsidiaries which are eliminated on consolidation.

Disclosure of Outstanding Share Data

The Company is currently authorized to issue an unlimited number of common shares. As of the date of this MD&A, the following are issued and outstanding:

- 57.8 million Common shares
- 1.7 million Stock options
- 1.4 million Restricted Share Units
- 129 thousand Deferred Share Units
- 18 thousand Performance Share Units

Critical Accounting Estimates

In our audited consolidated financial statements and accompanying notes thereto for the three months ended December 31, 2020 and in our MD&A for the three months ended December 31, 2020, we have identified the accounting estimates that are critical to understanding our business operations and our results from operations. The interim financial statements for the three and nine months ended September 30, 2021 have been prepared using critical accounting estimates and assumptions consistent with those applied in the audited consolidated financial statements for the three months ended December 31, 2020, except for the following new accounting policies:

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, 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.

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.

Risk Factors

The results of operations, business prospects and financial outlook of Think are dependent on many factors, including a number of risks and uncertainties outside of our control. For more information about our risks and uncertainties, please refer to our MD&A for the three months ended December 31, 2020. The risks and uncertainties remain substantially unchanged from those previously disclosed.

Outlook

This section discusses our outlook for Fiscal 2021 and in general as at the date of this MD&A and contains forward-looking statements.

The Company has a growth strategy that includes organic growth, and accretive mergers and acquisitions to drive synergies and create additional value.

Recently, the Company closed the acquisition of Pharmapod, and management is currently working on realizing synergies with respect to this acquisition.

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, it is unknown the extent 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.

The Company will continue to focus on acquiring products, capabilities, clinical specialties, and technology that will further drive value across the business lines of the Company. The Company believes with its existing platform, there represents significant cross-selling opportunities and revenue synergies.