Think Research Corporation

Management's Discussion and Analysis for the Year Ended December 31, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A") FOR THE YEAR ENDED DECEMBER 31, 2021 AND DECEMBER 31, 2020

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 audited consolidated financial statements for the year ended December 31, 2021, the three months ended December 31, 2020, and the year ended September 30, 2020 (the "Financial Statements") and the related notes thereto. Unless the context otherwise requires, all references to "Think" or the "Company", or "TRC" 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. $M refers to millions in Canadian dollars. 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 April 29, 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, 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 January 1, 2021 and ended December 31, 2021. Now the fiscal years commence on January 1st of each year and end on December 31st. The Company's prior fiscal year was a three month period ending on December 31, 2020. Other fiscal periods are referenced by the applicable year during which the fiscal period ends. For example, our fiscal year that ended on December 31, 2021 is referred to as "fiscal 2021," "2021" or using similar words and the “fourth quarter of 2021” refers to the quarter ended December 31, 2021. Fiscal 2020 refers to the three months ended December 31, 2020.

Consequently, information presented in this MD&A compares the audited results for the year ended December 31, 2021 to the most recently completed fiscal year which is the financial results for the three months ended December 31, 2020.

As the focus of this MD&A is comparing the financial results for a twelve-month period to a three-month period the financial results from each such financial year are not comparable and the period over period analysis may not be meaningful.

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 based on information currently available with respect to such matters. Forward-looking information is 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. Forward-looking statements may include, without limitation, statements contained in the “Outlook” section of this MD&A, including those regarding the Company’s growth strategy and its plans and tactics to achieve growth objectives; the intention to become an essential data solutions provider for healthcare providers; the Company’s plans to grow revenues, margins and Adjusted EBITDA; statements regarding the Credit Agreement and Convertible Loan; the digitization of BioPharma’s clinical business and that cost savings will result from the use of the Company’s Software-as-a-Service (“SaaS”) products; the potential renewal of the Company’s current contracts; that the use of electronic data capture at BioPharma will results in cost savings; the Company’s plans to realize cost and operational synergies from acquisitions; the Company’s intention to rely on cash flows from operations and, if required, additional financings to achieve its growth strategies; the anticipated completion date of the Company’s new office space; that the Company’s Hubly automation work will result in less manual setup and maintenance, reducing overhead costs and facilitating connections to other Company products; the anticipated timing to complete the Company’s Hubly automation work, the Company’s Learning Management System work and the Company’s electronic data capture project at BioPharma; the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies, competitive strengths and outlook of the Company, as well as statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, and may be identified by the use of forward-looking terminology such as “outlook”, “objective”, “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”.

Forward-looking information is subject to known and unknown 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 risk factors described under the heading "Risk Factors" in this MD&A and the Company's success in anticipating and managing such factors. Such factors are not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements.

Although Think believes that the expectations reflected in the forward-looking statements are reasonable and represent the Company's projections, expectations and beliefs as of the date of this MD&A, such information involves known and unknown risks and uncertainties which may cause the Company's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. 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. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The factors underlying current expectations are dynamic and subject to change.

The forward-looking information included in this MD&A is made as of the date of this MD&A and should not be relied upon as representing the Company's views as of any date subsequent to the date of this MD&A. Other than as specifically required by applicable Canadian law, the Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or results, or otherwise. All forward-looking information in this MD&A is qualified by these cautionary statements.

This MD&A contains financial outlook information within the meaning of applicable securities laws. The financial outlook included in this MD&A includes, but is not limited to: the Company's plans to realize cost and operational synergies; the Company's plans to grow revenue with improving margins; the Company's intent to increase revenue per user; the intent to monetize licensed users directly; statements regarding the Credit Agreement and Convertible Loan; the Company's expectation that the integration of BioPharma will allow the Company to explore significant new revenue streams; the digitization of BioPharma's clinical business using the Company's SaaS products will lead to cost savings; the Company will realize future cost and operational efficiencies and synergies from acquired entities including BioPharma and Pharmapod; that such efficiencies and synergies will result in the Company achieving positive operating cash flow; the revenues to be realized in future periods from contracts entered into by the Company; and that the Company *may breach its debt covenants or require additional debt or equity financing. The financial outlook set out in this MD&A is subject to the same assumptions, risk factors, limitations and qualifications set out in these cautionary statements. The financial outlook contained in this MD&A was approved by management as of the date of this MD&A and was provided for the purpose of providing an outlook of the Company's activities and results and may not be appropriate for other purposes. Management believes that the financial outlook has been prepared on a reasonable basis, reflecting reasonable assumptions, estimates and judgments; however, actual results of the Company's operations may vary from those described herein. The Company disclaims any intention or obligation to update or revise any financial outlook contained in this MD&A, whether as a result of new information, future events or results or otherwise, unless required pursuant to applicable Canadian law. Readers are cautioned that the financial outlook contained in this MD&A should not be used for purposes other than for which it is disclosed herein.*

Non-IFRS Financial Measures

This MD&A makes reference to certain non-GAAP financial measures and non-GAAP ratios. These measures and ratios 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 and ratios 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. Non-IFRS measures and ratios 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 and should be read in conjunction with the consolidated financial statements for the periods indicated. The Company uses non-IFRS financial measures and ratios, including "EBITDA", "Adjusted EBITDA" and "Adjusted EBITDA Margin" 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 and Adjusted EBITDA Margin, when viewed with the Company's results under IFRS and the accompanying reconciliations, provides useful information about the Company's business by removing potential distortions that may arise from transactions that are not operational in nature. 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 and Adjusted EBITDA Margin can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. The Company's agreements with lenders include certain financial performance covenants which include EBITDA (as defined in the Company's credit agreement with its senior lender) as a component of the covenant calculations and require the Company to maintain certain levels of EBITDA on a consolidated basis. The Company believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures and ratios in the evaluation of issuers. The Company's management also uses non-IFRS financial measures and ratios in order to facilitate operating performance comparisons from period to period.

Non-GAAP financial measures and non-GAAP ratios used in this MD&A include:

“**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.

“**Adjusted EBITDA Margin**” means Adjusted EBITDA divided by revenue of the Company for the applicable period.

A reconciliation of EBITDA and Adjusted EBITDA to IFRS net income (loss) is presented under “Select Information and Reconciliation of Non-IFRS Measures” in this MD&A.

Overview

Think Research Corporation is an industry leader in delivering knowledge-based digital health software solutions. The Company’s focused mission is to organize the world’s health knowledge so everyone gets the best care. Its evidence-based healthcare technology solutions support the clinical decision-making process and, standardize care to facilitate better health care outcomes. The Company gathers, develops, and delivers knowledge-based solutions globally to customers which typically include 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).

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 who rely on the content and data provided by Think to support their practices. Millions of patients and residents annually receive better care due to the essential data that Think produces, manages and delivers.

In addition, the company collects and manages pharmaceutical and clinical trial data via the BioPharma Services Inc. (“BioPharma”) entity that Think acquired on September 13, 2021. BioPharma is a leading provider of bioequivalence and Phase 1 clinical research services to pharmaceutical companies globally. Think’s other services include a network of digital-first primary care clinics and medical clinics providing elective surgery.

The Company’s financial performance for FY2021 reflects the four acquisitions set out below in the section titled “Acquisitions.” Together, these acquisitions transformed the business such that revenue in the three months ended December 31, 2021 was $19.1M and 438% higher than in the same period a year ago. The reported financial performance of the Company for FY2021 includes $5.7M of one-time costs incurred during the year associated with these transactions. To lay the foundation for profitable growth of the consolidated operations, the Company embarked on a plan to realize revenue, cost, and operational synergies during the year.

The Company's cash balance at December 31, 2021 was $6.3M, down from $10.9M on December 31, 2020. This decrease in cash is the net impact of cash outflows from operations during the year of $11.5M and from investing activities of $27.4M offset by debt, lease and equity financings of $34.3M as detailed in the section titled "Financings" below.

Outlook

This section discusses the outlook for Fiscal 2022 and in general as at the date of this MD&A and contains forward-looking statements.

The Company plans to grow revenue with improving margins by becoming an increasingly essential data solutions provider for healthcare providers globally, so they can deliver the best outcomes for patients.

To fulfill this objective, the focus of operations is threefold:

a. Add more users to current licenses by promoting adoption and usage. Currently, more than 300,000 clinicians, including doctors, nurses and pharmacists, use Think's solutions. As more users are added, the TRC's solutions become more essential to health systems and licensees.
b. Increase revenue per user by increasing the number of content services and data solutions that a licensed user adopts and uses regularly.
c. Monetize licensed users directly in addition to facilities licenses, for example, through Think's direct to user clinical education offerings.

In support of these strategies, the product teams and business development teams are focused on:

1. Strengthening the utility of Think's data and data solutions through ongoing product development, platform integration, and content development.
2. Adding new third-party solutions to data services and solution sets via supplier partnerships and integrations.
3. Expanding Think's solutions footprint via new facilities licenses, and over-the-top direct user licenses in the eight countries where Think has market presence.

In the immediate timeframe, in order to effectively execute on these strategies, the Company is currently undertaking the following:

1. Completing the integration of recent acquisitions BioPharma and the assets of Pharmapod Limited ("Pharmapod"). The company has achieved $5.8M of cost synergies in FY2021 on an annualized basis, expects to recognize additional synergies in future quarters.

2. Continuing to evolve from a product focused conglomeration to a cohesive data solutions company with a focus on clinician data and knowledge needs.
3. Re-aligning resources to increase sales capacity and revenue generating support functions in key areas of focus.

The objective of this operational focus, both in the short and long term is to generate organic revenue growth with improved margins, and with positive Adjusted EBITDA.

Consolidated Highlights

Financial highlights

- The Company achieved record revenue of $19.1M and $47.8M for the three months ended December 31, 2021 and Fiscal 2021 compared to $3.6M for the three months ended December 2020. Revenue for the three months ended December 2021 increased by 438% compared to the three months ended December 2020. Revenue for Q4 of FY2021 increased by $9.0M or 90%, compared to the prior quarter primarily as a result of including results from BioPharma for the full quarter, incremental revenue from the acquisition of Pharmapod which closed on November 4, 2021, and stronger performance overall driven by a general recovery in the industry related to the relaxation of COVID-19 restrictions.
- Adjusted EBITDA was $(0.2M) and $(6.6M) for the three months ended December 31, 2021 and Fiscal 2021 respectively, compared to $(2.7M) for the three months ended December 2020. Adjusted EBITDA for Q4 of FY2021 increased by $3.2M, or 94% to $(0.2M) compared to Adjusted EBITDA of ($3.4M) in the immediately prior quarter ended September 30, 2021. Adjusted EBITDA margin was (1%) in Q4 of 2021 compared to (34%) in the prior quarter. This improvement was driven primarily by earnings contributions from acquired companies, cost and operational synergies realized during the period, and the general recovery of the industry following the relaxation of restrictions related to COVID-19. See “Non-IFRS Financial Measures” for further information.
- Net income (loss) was $(7.6M) and $(29.0M) for the three months ended December 31, 2021 and for Fiscal 2021 respectively compared to $(13.1M) for the three months ended December 31, 2020. The increase in net income for the three months ended December 31, 2021 is primarily due to an increase in revenue and gross profit related to acquisitions which were partially offset by an increase in amortization on acquired intangibles and higher non-cash stock based compensation. The decrease in net income for Fiscal 2021 compared to the three months ended December 31, 2020 was primarily due to higher expenses related to amortization on acquired intangibles, higher expenses to support continued business growth and higher non-cash stock-based compensation, partially offset by higher revenue, and because of the comparison of a twelve month period to a three month period. Net Income for Q4 of FY2021 increased by $3.2M, or 30% compared to Q3 of FY2021, primarily as a result of higher revenue and gross profits associated with acquisitions, cost and operational synergies realized during the period, and an overall improvement in operations following the relaxation of restrictions related to COVID-19.

- On November 15, 2021 Think announced a contract to deploy software across the province of Ontario through a SaaS model connected to the Company's digital referral network that will connect patients to health information and to receive guidance throughout their healthcare journey, referred to as a 'Digital Front Door'. The initial term of the agreement has a value of approximately $5M and ends in calendar 2026. With optional renewals and service expansion, the agreement could extend to a total length of eight years which would increase the contract value.
- On February 9, 2022 Think was selected by the Children and Youth Mental Health Lead Agency Consortium to provide the technology to enable virtual clinical counselling across the province of Ontario, and an entry point into digital referrals for community mental health services. This SaaS contract has a minimum term of three years through which Think will realize a minimum of $2M in revenue.

Acquisitions

- On January 29, 2021, the Company closed the acquisition of MDBriefCase Group Inc. ("MDBriefCase") — a continuing medical education ("CME") and professional development software and solutions provider to clinicians globally. Through this transaction, the Company is creating a valuable data feedback loop where data collected through frontline clinical tools can monitor how a clinician's practice has changed as a result of CME and other programs, and whether adjustments need to be made to further improve CME courses or clinical decision support tools. As at December 31, 2021, MDBriefCase generated trailing twelve-month revenues of approximately $10.2 million.
- Also on January 29, 2021, the Company acquired Clinic 360 Inc. ("Clinic 360") an elective surgery clinic. The Company is now refining and adding to its library of knowledge-based surgical decision support tools with instant and direct feedback from the surgeons using it at Clinic360. Clinic 360 has also leveraged the Company's digital referrals platform to connect to a significant demand backlog in the public sector as part of the Think Research-led Ontario e-referrals network. In the year ended December 31, 2021 Clinic 360 generated approximately $8.7 million in revenue.
- On September 10, 2021 the Company closed the acquisition of BioPharma, a leading Clinic Research Organization ("CRO"). By integrating BioPharma with Think's operations, the Company is able to explore significant new revenue streams by using Think's proven ability to collect and monetize data from health systems. The Company is taking steps to digitize BioPharma's core clinical business leading to cost savings by using Think's existing Software as a Service ("SaaS") products including: electronic data capture, digital referral software for trial recruitment, learning management software for trial participants, and telemedicine software for conducting remote trials. For the twelve months ended December 31, 2021 BioPharma generated approximately $37.2 million in revenue.
- On November 4, 2021, the Company acquired certain assets of 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 for more than 8,000 retail pharmacies. As a result of this transaction,

Think is uniquely positioned to provide essential data services to pharmacies, hospitals and long-term care facilities around the world by building upon the current reach of Think's electronic data capture solutions and client base.

The Company has moved swiftly to integrate and realize operating efficiencies from acquisitions by setting up shared services cost centers. Accordingly, the Company will report on segmented contributions to revenue only, as set out in the segment analysis in the section titled "Discussion of Operations".

Financings

- On September 10, 2021, the Company replaced its previous credit facility with a new credit facility (the "Credit Facility") with the Bank of Nova Scotia. The 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 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 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. 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 for integration and other transaction costs.

Events Subsequent to December 31, 2021

On April 22, 2022, the Company entered into a credit agreement (the "Credit Agreement") with Beedie Investments Ltd. ("Beedie"), pursuant to which Beedie will issue to the Company a secured non-revolving convertible term loan of up to the principal amount of \$25 million (the "Convertible Loan"), maturing on the fourth anniversary of the closing date of the Convertible Loan.

Pursuant to the terms of the Credit Agreement, on the closing date of the Convertible Loan the Company will borrow an initial principal amount of \$10 million (the "Initial Advance"). The Convertible Loan will bear interest at a rate of 8.50% per annum on advanced funds, payable quarterly on the last day of March, June, September and December in each year, commencing June 30, 2022. The net proceeds of the Initial Advance may be used by the Company to complete future acquisitions, for growth capital or for general working capital purposes. Prior to repayment of the Initial Advance, Beedie may elect to convert all or any portion of the principal amount of the Initial Advance into Common Shares at a deemed price of \$1.443 per Common Share, provided that Beedie shall be prohibited from converting such amounts into Common Shares if, as a result

of such conversion, Beedie, together with any persons or companies acting jointly or in concert with Beedie, would in the aggregate beneficially own, or exercise control or direction over, 20% or more of the issued and outstanding Common Shares (the “Conversion Limit”).
Following the Initial Advance, the Company may from time to time borrow the remaining unadvanced portion of the Convertible Loan by one or more subsequent advances (each a “Subsequent Advance”) during the term of the Convertible Loan. Subsequent Advances may only be used by the Company to complete acquisitions of complementary businesses approved by Beedie, or as otherwise agreed to by Beedie. Subject to the Conversion Limit, each Subsequent Advance will be convertible into Common Shares at a price per Common Share equal to the higher of: (i) the market price of the Common Shares, less the maximum permitted discount under the rules of the stock exchange on which the Common Shares are listed; and (b) a 25% premium above the 20 trading day volume-weighted average price of the Common Shares, in each case measured on the close of trading on the trading day immediately prior to the announcement of the acquisition to be financed with such Subsequent Advance.

The Company may elect to cause Beedie to convert up to 50% of the principal amount of the Initial Advance or any Subsequent Advance into Common Shares at the conversion price applicable to such advance, provided that for a period of 20 consecutive trading days the volume-weighted average price of the Common Shares measured on the close of trading on each such day equals or exceeds a 50% premium above the conversion price to the Initial Advance or Subsequent Advance, as applicable.

The Company may at any time elect to prepay the outstanding balance of the Convertible Loan, subject to the terms of the Credit Agreement including the payment of applicable prepayment fees.

The Convertible Loan will be secured by a general security agreement over the assets of the Company and certain of the Company’s subsidiaries, as well as guarantees by each of the Company’s subsidiaries, among other security granted to Beedie. The Credit Agreement contains covenants, conditions and events of default which are customary for a convertible loan facility of this size and type.

Closing of the Convertible Loan is subject to the satisfaction of customary closing conditions for a convertible loan facility, including the receipt of applicable regulatory and TSXV approvals.

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 "Non-IFRS Measures."

	Three months ended December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year ended September 30, 2020
	$	**$**	**$**	**$**
Net loss	(7,596)	(13,088)	(29,049)	(10,016)
Depreciation and amortization	4,098	541	7,986	1,956
Finance costs	713	639	2,054	1,488
Income tax expense (recovery)	(1,481)	(6)	(1,461)	(24)
EBITDA[1]	**(4,266)**	**(11,914)**	**(20,470)**	**(6,596)**
Acquisition, restructuring and other[2]	1,270	5,922	5,638	—
Premium on Redemption of Class A Preferred shares[3]	—	1,271	—	—
Stock-based compensation[4]	2,052	1,925	7,249	4,248
Foreign exchange loss (gain)[5]	78	67	323	—
Impairment loss[6]	677	—	677	—
Adjusted EBITDA[1]	**(189)**	**(2,729)**	**(6,583)**	**(2,348)**

Notes:

(1) "EBITDA" and "Adjusted EBITDA" are non-GAAP financial measures, are not standardized measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers. See "Non-IFRS Financial 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) "Premium on Redemption of Class A Preferred shares" relates to the premium that was paid to redeem preferred shares on December 23, 2020 as part of the RTO.

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

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

(6) "Impairment Loss" relates to the loss on impairment of intangibles.

Consolidated Results of Operations

(in thousands of Canadian $, except per share information)	Three months ended December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year ended September 30, 2020
	$	$	$	
Revenue	**19,117**	**3,555**	**47,791**	**19,444**
Cost of sales	**(9,994)**	**(2,006)**	**(23,394)**	**(7,514)**
Gross profit	**9,123**	**1,549**	**24,397**	**11,930**
Operating expenses				
General and administration	(7,286)	(3,859)	(23,013)	(10,678)
Research and development	(1,516)	(1,278)	(6,566)	(4,452)
Sales and marketing	(2,562)	(1,186)	(8,650)	(3,701)
Depreciation and amortization	(4,098)	(541)	(7,986)	(1,956)
Total operating expenses	**(15,462)**	**(6,864)**	**(46,215)**	**(20,787)**
Loss before other income (expenses) and taxes	**(6,339)**	**(5,315)**	**(21,818)**	**(8,857)**
Other income (expenses)				
Acquisition, restructuring and other	(1,270)	(5,802)	(5,638)	-
Rent concessions	—	—	—	309
Impairment loss	(677)		(677)	—
Finance costs	(713)	(639)	(2,054)	(1,488)
Interest accretion on Class A preferred shares	—	(108)	—	—
Premium on Redemption of Class A preferred shares	—	(1,271)	—	—
Foreign exchange gain (loss)	(78)	(67)	(323)	(4)
Total other income (expenses)	**(2,738)**	**(7,779)**	**(8,692)**	**(1,183)**
Net income (loss) before income tax	(9,077)	(13,094)	(30,510)	(10,040)
Income tax recovery (expense)	1,481	6	1,461	24
Net income (loss) for the period	**(7,596)**	**(13,088)**	**(29,049)**	**(10,016)**
Other comprehensive income				
Item that may be subsequently reclassified to profit:				
Foreign currency translation differences for foreign operations (net of tax)	(12)	—	111	—
Other comprehensive income, net of tax effect	**(12)**	—	**111**	
Comprehensive income (loss) for the period	**(7,608)**	**(13,088)**	**(28,938)**	**(10,016)**
Net loss per share - basic	(0.13)	(0.49)	(0.62)	(0.40)
Weighted average number of common shares - basic	57,707	26,593	46,745	25,354

Discussion of Operations

Revenue

The Company has three primary segments of revenue that include: (1) software and technology, (2) clinical research, and (3) and clinical services. In the fourth quarter of FY2021 the Company had the following revenue by segment:

Segmented Revenue	Q4 FY2021	% of Revenue
Technology[1]	6.0M	31.5%
Clinical research[2]	9.2M	48.3%
Clinical services[3]	3.9M	20.2%
Total	19.1M	100.0%

Notes:

(1) "Technology" revenue consists of SaaS revenue from Think Research and Pharmapod, and re-occurring revenue from MDBriefCase,

(2) "Clinical research" revenue consists of revenue from BioPharma. The Company acquired BioPharma on September 10, 2021.

(3) "Clinical services" revenue consists of revenue from the clinics owned by TRC.

Revenue for the three months ended December 31, 2021 was $19.1M, an increase of $15.6M or 438% compared to revenue of $3.6M for the three months ended December 31, 2020. Revenue for Fiscal 2021 was $47.8M, compared to $3.6M for the three months ended December 2020 as a result of comparing a twelve month period to a three month period.

In both periods, the revenue increase was primarily attributable to increased revenue related to acquisitions that closed during the previous twelve months supplemented by organic revenue growth in the Company's existing business.

As part of the HCP acquisition on December 23, 2020, the Company acquired 100% of the shares of Ariontech Inc. ("Arion"), a non-core business unrelated to the healthcare sector. In Q4 of FY2021 the Company divested of Arion as a part of its efforts to realize synergies and focus on core business objectives, resulting in an impairment loss of $677 on intangible assets.

Cost of Sales

Cost of sales increased from $2.0M to $10.0M or 398% when comparing the three months ended December 31, 2021 to the same period in the prior year. Cost of sales increased to $23.4M from $2.0M or 1066% when comparing FY2021 to the three months ended December 2020. In both periods, the change was related to the increase in revenue, derived primarily from acquisitions supplemented by organic growth in existing business lines. There was also an impact on cost of sales from revenue associated with the acquired clinics and BioPharma which have a higher proportion of cost of sales relative to revenue than the technology business line.

Gross Profit

During the three months ended December 31, 2021, the Company generated gross profit of $9.1M compared to $1.5M for the same period in the prior year, an increase of 489%. For the twelve months ended December 31, 2021, Think's gross profit increased to $24.4M compared to $1.5M for the three months ended December 31, 2020 as a result of a twelve month period being compared to a three month period.

In both periods, the increase in gross profit was primarily related to an increase in revenue which in turn was due primarily to acquisitions supplemented by organic revenue growth. In Q4 of FY2021 gross profit increased by $4.9M or 115% compared to Q3 of FY2021 primarily as a result of reporting a full quarter of results from BioPharma and incremental revenue from Pharmapod.

For the three months ended December 31, 2021 the Company generated gross margin of 48% compared to 44% for the same period in the prior year. For the twelve months ended December 31, 2021 the Company generated a gross margin of 51% compared to 44% for the three months ended December 31, 2020. The gross margin in both periods was affected by the change in revenue mix as a result of the acquisitions. In Q4 of FY2021 the Company's gross margin % increased to 48% from 42% in Q3 of 2021 primarily as a result of operational synergies being realized during the quarter that reduced cost of sales and additional technology related revenue that has a higher gross margin percentage.

Expenses

- General and administration expenses increased from $3.9M for the three months ended December 31, 2020 to $7.3M for the three months ended December 31, 2021. For the twelve months ended December 31, 2021, general and administration expenses increased to $23.0M from $3.9M for the three months ended December 31, 2020. In both periods, the increase was primarily due to personnel costs associated with acquisitions completed during the past twelve months and other ongoing M&A activities, higher salaries and wages to support the continued growth of the business, and higher stock-based compensation, in addition to a twelve month period being compared to a three month period.
- Research and development expenses increased from $1.3M for the three months ended December 31, 2020 to $1.5M for the three months ended December 31, 2021. For Fiscal 2021, research and development expenses increased to $6.6M from $1.3M for the three months ended December 31, 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, in addition to a twelve month period being compared to a three month period.
- Sales and marketing expenses increased from $1.2M for the three months ended December 31, 2020 to $2.6M for the three months ended December 31, 2021. For Fiscal 2021, sales and marketing expenses increased to $8.7M from $1.2M for the three months ended December 31, 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, in addition to a twelve month period being compared to a three month period.

- Depreciation and amortization increased from $0.5M for the three months ended December 31, 2020 to $4.1M for the three months ended December 31, 2021. For Fiscal 2021, depreciation and amortization increased to $8.0M from $0.5M for the three months ended December 31, 2020. In both periods, the increase was primarily due to amortization of acquired intangibles and depreciation on leased premises acquired through acquisitions, in addition to a twelve month period being compared to a three month period.
- Acquisition, restructuring and other costs for the three months and year ended December 31, 2021 was $1.3M and $5.6M respectively, compared to $5.8M for the three months ended December 31, 2020. For the three months ended December 31, 2021, the decrease is due to significant one-time costs incurred in connection with the listing of shares in the equivalent period in the prior year. Acquisition, restructuring and other costs are flat when comparing the year ended December 31, 2021 to the three months ended December 31, 2020 due to acquisitions and integration costs related to acquisitions that closed during 2021, including cost synergies related to terminations compared to significant one-time costs in connection with the RTO for the three months ended December 31, 2020.
- Finance costs increased from $0.6M for the three months ended December 31, 2020 to $0.7M for the three months ended December 31, 2021. For Fiscal 2021, finance costs increased to $2.1M from $0.6M for the three months ended December 31, 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, in addition to a twelve month period being compared to a three month period.

Net income

Net loss decreased by $5.5M to ($7.6M) for the three month period ended December 31, 2021 compared to a loss of ($13.1M) for the same period in the prior year, and increased by $16M for the twelve month period ended December 30, 2021 to a loss of ($29M) compared to the three months ended December 31, 2020. The reduction of loss for the three months ended December 31, 2021 is due to decreases in expenses relating to the acquisitions and RTO in the comparable period and the recovery of income tax related expenses. The increase of loss for Fiscal 2021 as compared to the three months ended December 31, 2020 was primarily due to higher expenses to support continued business growth, higher non-cash stock-based compensation and amortization on acquired intangibles, partially offset by higher revenue, and a twelve month period being compared to a three month period.

Financial condition

	December 31, 2021	December 31, 2020	September 30, 2020
	$	$	$
Cash	6,324	10,875	1,377
Total assets	136,035	34,503	12,220
Total non-current liabilities	49,013	2,844	5,971
Dividends paid to Class B preferred shareholders	—	72	539

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

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

Cash flows

The primary operational source of cash flows is cash collected from revenue streams including technology, clinical research and clinical services. 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 December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year ended September 30, 2020
	$	$	$	$
Cash provided used in operating activities	(158)	(3,424)	(11,479)	(8,283)
Cash provided by financing activities	3,714	14,173	34,310	8,249
Cash used in investing activities	(3,216)	(1,251)	(27,382)	(397)
Change in cash	340	9,498	(4,551)	(431)
Cash, beginning of period	5,984	1,377	10,875	1,808
Cash, end of period	**6,324**	**10,875**	**6,324**	**1,377**

Cash used in operating activities was of $0.2M for the three months ended December 31, 2021 compared to $3.4M for the same period in the prior year. The primary reason for the decrease in cash used was more favourable changes in net working capital and the reduction in listing related costs in Q4 of Fiscal 2021.

Cash used in operating activities was $11.5M for the twelve months ended December 31, 2021 compared to $3.4M for the three months ended December 31, 2020. The primary reason for the increase in cash used in operating activities for the twelve months ended December 31, 2021 was due to transaction fees related to acquisitions and investment in salaries and wages to support continued business growth, and the twelve month period being compared to a three month period.

Cash provided by financing activities was $3.7M for the three months ended December 31, 2021 compared to $14.2M for the same period in the prior year. The decrease in cash provided by financing activities was primarily due to higher loans and borrowings in the prior period related to the RTO and concurrent financing.

Cash provided by financing activities was $34.3M for the twelve months ended December 31, 2021 compared to $14.2M for the three months ended December 31, 2020. The increase in cash flows from financing activities was primarily due to the refinancing undertaken in connection with the BioPharma acquisition and gross proceeds of $14.1M raised from the offering that was used to complete the BioPharma acquisition, offset by higher payments related to lease liabilities, in addition to a twelve month period being compared to a three month period.

Cash used in investing activities was $3.2M for the three months ended December 31, 2021 compared to $1.3M for the same period in the prior year, primarily due to acquisition consideration paid and higher capital expenditures to support future business growth.

Cash used in investing activities was $27.4M for the twelve months ended December 31, 2021 compared to $1.3M for the three months ended December 31, 2020. The increase was primarily due to acquisition consideration paid, higher capital expenditures, and a twelve month period being compared to a three month period.

Capital Expenditures

The Company invests in capital equipment to maintain and grow the clinic and CRO business lines and in intangible assets to develop more competitive technology offerings. For the year ended December 31, 2021, capital expenditures for property and equipment and intangible assets were $3.1M compared to $nil for the three months ended December 31, 2020.

Quarterly Financial Highlights

The following quarterly financial highlights have been derived from the Company's condensed interim financial statements and should be read in conjunction with those financial statements and notes.

(in thousands of Canadian dollars, except per share data)	Q4 2021 $	Q3 2021 $	Q2 2021 $	Q1 2021 $
Revenue	19,117	10,083	10,224	8,367
Net Income	(7,596)	(10,828)	(5,583)	(5,042)
EBITDA[1]	(4,266)	(8,348)	(4,001)	(3,855)
Adjusted EBITDA[1]	(189)	(3,403)	(1,349)	(1,642)
Adjusted EBITDA margin[2] (% of revenue)	-1%	-34%	-13%	-20%
Basic and diluted EPS	(0.13)	(0.24)	(0.13)	(0.12)

(in thousands of Canadian dollars, except per share data)	Q4 2020 $	Q3 2020 $	Q2 2020 $	Q1 2020 $
Revenue	3,555	3,985	3,825	5,819
Net Income	(13,088)	(333)	(3,127)	(1,582)
EBITDA[1]	(11,914)	560	(2,223)	(711)
Adjusted EBITDA[1]	(2,729)	599	(1,904)	(521)
Adjusted EBITDA margin[2] (% of revenue)	-77%	15%	-50%	-9%
Basic and diluted EPS	(0.49)	(0.01)	(0.12)	(0.06)

Notes:

1. "EBITDA" and "Adjusted EBITDA" are non-GAAP financial measures, are not standardized measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers. See "Non-IFRS Financial Measures".
2. "Adjusted EBITDA Margin" is a non-GAAP ratio, is not a standardized measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. See "Non-IFRS Financial Measures".

The quarterly financial results set out above reflect a series of significant transactions beginning with the RTO in the fourth quarter of 2020 (see "Introduction") which required Think to expend one-time costs including $5.8M in acquisition and restructuring costs and $1.3M as a premium on the redemption of preferred shares. Results in the first quarter of 2021 include acquisition costs of two acquisitions (see "Acquisitions"). These were followed by two additional acquisitions in the third and fourth quarters. These transactions materially impacted the financials in the quarters in which they occurred and in subsequent reporting periods. The Company has developed and is executing on a plan to realize operational synergies from these acquisitions. That plan has resulted in a decrease in cost of sales and expenses in the fourth quarter of 2021 as compared to the prior trend. This has also resulted in record quarterly Adjusted EBITDA as the Company nears profitability. All such acquisitions, other than the Arion acquisition from fiscal 2020 which was divested in fiscal 2021 (see Discussion of Operations – Revenue), are considered to be continuing operations of Think.

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 cash flows from operations and, if required, additional financings to achieve its growth strategies.

The Company has relied on a combination of debt and equity to finance its acquisitions. The Company's strategy for using equity for acquisitions is to maintain liquidity and flexibility to capitalize on future opportunities as they arise, and to motivate the sellers of acquired companies to seek mutual success post-closing. The Company uses debt to finance acquisitions and working capital with a view to reducing its overall cost of capital while maintaining strong long-term relationships with its bankers through ongoing compliance with the terms of its debt.

Financial instruments and risk management

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, bank debt, contingent consideration, government financing, license agreement payable and lease liabilities.

Credit risk

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, generally 30 days to 90 days.

The Company has a history of negative operating cash flow and so has relied on a series of equity and debt transactions to finance its operations. The Company has developed and is executing on a plan to extract cost and operational synergies from its consolidated business in order to reach positive operating cash flow. Despite these efforts, there is a risk that the Company will not reach consistent and sustained positive operating cash flows in the near term, which could lead to the Company breaching its debt covenants or requiring additional debt or equity financing. There is a risk that additional debt or equity financing may not be available to the Company on favourable terms, or at all.

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 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 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.

Contractual Obligations

The Company manages and continually monitors its commitments and contractual obligations to ensure that these can be met with funding provided by operations and capital resources available.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Within 1 year	Total Between 1-2 years	Between 2-5 years	Over 5 years	Total
	$	$	$	$	$
December 31, 2021					
Bank loan	—	26,874	—	—	**26,874**
Accounts payable and accrued liabilities	13,403	—	—	—	**13,403**
Contingent consideration	2,055	939	2,149	—	**5,143**
Government financing	4	100	300	96	**500**
Lease liability	3,040	2,131	5,563	5,671	**16,405**
	18,502	30,044	8,012	5,767	**62,325**

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 $2.9M for the first five years, $3.2M for years six to ten and, $3.5M 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 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:

Digital Referrals – Hubly Automation

This technology supports electronic forms and data transfers via a router-and-translator facilitating digital referrals integrations between digital healthcare vendors. The technology allows the Company to build a network of senders and receivers. Traditionally, the work necessary to onboard a new vendor into the network can be labour intensive. The work being done in this project is to create automation tools to simplify the connection and onboarding of new senders and receivers to the network in order to scale the number of connections across different markets that use a wider variety of message-types. Furthermore, this work will support the Company's existing user-base with significantly less manual setup/maintenance, thereby reducing overhead costs, as well as facilitating connections of TRC products. The Company expects to complete this project within the next twelve months and the work is approximately seventy percent complete as of the date of this MD&A. Additional steps to complete this project include finishing development related work, testing, and implementation.

Digital Referrals - Service Provider Directory

This service is an expansion of our router-and-translation technology. The expansion enables TRC to route and translate service provider details (directories consisting of information about individual and organizational health care service providers). This is a critical element of sending and receiving messages between multiple parties within a network and supports the ability to discover receivers within a geographic region and determine the appropriate method by which to send any form of patient related care communication. The technical work being done enables the ability to ingest multiple directories from multiple providers, translates into a standardized FHIR model and enables access via APIs for consumption by multiple external parties as well as consumption by multiple internal products.

Digital Referrals - Patient Digital Front-Door Connection

This is new technology that offers digital front-door style access, for registered or unregistered patients, to both Think Research and third'-party resources and applications. The work done in this project includes custom enhancements (in the form of a custom library and plug-in) to a third-party tool, as well as custom integrations to internal and external products and workflows.

Clinical Knowledge - Learning Management System

Think is undertaking an initiative to move the Company's outsourced Learning Management System ("LMS") in-house. Currently the LMS is a commercial-off-the-shelf (COTS) solution with limited capabilities to create enhanced engagement models with our clinical audience. The work completed to date is focusing on revamping the member engagement model to create more targeted methods of member outreach, curated content experiences and data driven approach to increasing member engagement. The company expects to complete this initiative in two phases. The first phase, to be completed by December 2022, will support the transition from the COTS solution to the in-house solution, and the second phase will support the implementation of data-driven member engagement capabilities by 2023.

Clinical Research - Digitalization of BioPharma

Think is deploying an electronic data capture solution to achieve cost savings by eliminating manual and redundant process steps within clinical trials at BioPharma. Following an initial go-live in date in March 2022, the Company expects to complete the first stage of the project by Q4 2022 with additional stages commencing in 2023. Additional steps to complete the first project stage include finishing development of new features, testing, system validation following GAMP industry standards and scaled roll out across the organization.

Royalty

The Company is committed to pay a 1% royalty on gross revenue from digital Order Set 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 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 Credit Facility agreement. As at December 31, 2021, the Company had drawn $6.0 million of the term loan, and $20.8 million of the Revolver (which has total availability of $22 million) for a total amount drawn of $26.9 million. Factoring in debt issuance costs, net of accumulated amortization the total amount of bank debt of the Company is $26.3 million. The credit facility was used to payout the prior lender and to close the BioPharma acquisition.

The 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 December 31, 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 and Key Management Personnel

The Company defines key management personnel as being the Company's board of directors, Chief Executive Officer and executive leadership team. The remuneration of key management personnel during the year ended December 31, 2021 and 2020 was as follows:

	Year ended December 31, 2021	Three months ended December 31, 2020
	$	$
Salaries and benefits	3,053	977
Stock-based compensation	4,230	213
	7,283	1,190

During the year ended December 31, 2021, the Company incurred consulting fee expenses of $nil (three months ended December 31, 2020 - $40; year ended September 30, 2020 - $31) for services provided by a shareholder of the Company, which are recorded in general and administration expense on the consolidated statements of operations and comprehensive income.

Licensing fee revenues of $120 for the year ended December 31, 2021 (three months ended December 31, 2020 - $nil; year ended September 30, 2020 - $343) were earned from a company of which the chief executive officer of the Company is a shareholder. As at

December 31, 2021, $97 (December 31, 2020 - $164) is included in accounts receivable and other for these license fees on the consolidated statements of financial position.

During the year ended December 31, 2021, the Company has also entered into an agreement with the same related party by providing an interest-bearing loan. As at December 31, 2021, the loan balance of $168 (December 31, 2020 - $nil) is included in accounts receivable and other on the consolidated statements of financial position. Interest income of $9 for the year ended December 31, 2021 was earned during the year from this loan (three months ended December 31, 2020 - $nil; year ended September 30, 2020 - $nil). In addition, integration related costs of $70 for the year ended December 31, 2021 (three months ended December 31, 2020 - $nil; year ended September 30, 2020 - $nil) was incurred for services provided by the same related party and the expense is capitalized as addition to intangibles on the consolidated statements of financial position.

Legal fees of $20 for the year ended December 31, 2021 (three months ended December 31, 2020 - $nil; year ended September 30, 2020 - $nil) was also incurred.

As at December 31, 2021, the Company included $nil (December 31, 2020 - $658), which is attributable to key management personnel, in share issuance costs bonuses payable for the private placement.

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:

- 58.8 million Common shares
- 786 thousand Stock Options
- 1.9 million Restricted Share Units
- 129 thousand Deferred Share Units
- 12 thousand Performance Share Units
- 257 thousand Warrants

Risk Factors

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities, they also pose important challenges as well.

Risks related to confidential personal and health information

Think has access, due to the nature of the products and services provided, to confidential and personal health information. There can be no assurance that Think’s existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients. Think’s products are used to transmit, receive and store a large volume of data, including personal information, personal health information and other confidential information. Think’s clinical services also manages large volumes of data, including personal information, personal health information and other confidential information. In addition to utilizing technologies provided directly by Think, the Company also leverages third-party tools to provide patient care services. These tools are a combination of locally installed and cloud-based applications which may be subject to similar risks of unauthorized access to personal information. Think does not regularly monitor or review 100% of the content that its customers upload and store and, therefore, does not control the substance of some content on its servers, which may include personal information or personal health information in unmonitored and unprotected sections of the technology. Think may experience successful attempts by third parties to obtain unauthorized access to the personal information of its customers. This information could also be otherwise exposed through human error or malfeasance. The unauthorized access or compromise of this personal information could have an adverse effect on Think's business, reputation, financial condition and results of operations. Think is also subject to various laws regarding privacy, health privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals and local government representatives and offices, such as a Privacy Commissioner, of data security breaches involving certain types of personal data, and agreements with certain customers may require Think to notify them in the event of a security incident. Think currently maintains a robust privacy program, which includes: (i) a suite of privacy policies and procedures that support effective privacy management; (ii) a comprehensive and role-based employee training and awareness program; (iii) up-to-date and accurate privacy assessments of Think's systems and services that involve personal health information; (iv) privacy risk management activities, such as vulnerability scanning and penetration testing throughout the full lifecycle of Think's systems and services that involve personal health information; and (v) employment agreements that are designed to enforce privacy as a responsibility of every employee in the organization; however, Think cannot guarantee that such protocols and procedures will be sufficient to prevent data breaches. In addition, the interpretation of data protection laws in Canada, the United States and elsewhere, and their application to online platforms, including virtual care, are in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from jurisdiction to jurisdiction, and in a manner that is not consistent with current data protection practices. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for non-compliance. Any such new laws or regulations, or changing interpretations of existing laws and regulations, may cause Think to incur significant costs and effort to ensure compliance. Think's failure to comply with laws related to privacy and the protection of data, as applicable, could lead to significant fines and penalties imposed by regulators, as well as claims by its customers and their customers. These proceedings or violations could force Think to spend money in defence or settlement of such proceedings, resulting in the imposition of monetary liability, divert management's time and attention, increase Think's costs of doing business, and adversely affect Think's reputation and the demand for its products. In addition, if Think's security measures fail to adequately protect personal information, Think could be liable to both its customers and their customers for their losses. As a result, Think could be subject to fines and face regulatory action, and its customers could end their relationships with Think. There can be no assurances that the limitations of liability in Think's contracts would be enforceable or adequate or would otherwise protect Think from any such liabilities or damages with respect to any particular claim. Think also cannot be sure that its existing general liability insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or at all, or will be available in sufficient amounts to cover one or more large claims, or that its insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against Think that exceeds its available insurance coverage, or changes in its insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on its business, financial condition and results of operations.

Risks related to cybersecurity

Think relies on digital, cloud-based and internet technologies to conduct and expand its operations, including reliance on information technology to process, transmit and store sensitive and confidential data, including protected health information, personally identifiable information, and proprietary and confidential business performance data. As a result, Think and/or its clients are exposed to risks related to cybersecurity. Such risks may include unauthorized access, use, or disclosure of sensitive information (including confidential health records), corruption or destruction of data, or operational disruption resulting from system impairment (e.g., malware or ransomware attacks).

Third parties to whom Think outsources certain functions, or with whom their systems interface, are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider or partner could harm Think's business even if Think does not control the service that is attacked. Think's operations depend, in part, on how well it protects networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, damage to hardware, computer viruses, hacking and theft. Think's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. A compromise of Think's information technology or confidential information, or that of Think's clients or third parties with whom Think interacts, may result in negative consequences, including system outages with respect to Think's key platforms and potential liability under privacy, security, consumer protection or other applicable laws, regulatory penalties and additional regulatory scrutiny, any of which could have a material adverse effect on Think's business, financial position or results of operations.

In addition, a network or security breach could damage Think's relationships with its existing clients, resulting in the loss of business, and have a negative impact on its ability to attract and retain new clients. These breaches, or any perceived breach, of Think's network, its clients' networks, or other networks, whether or not any such breach is due to a vulnerability in Think's products, may also undermine confidence in its products and result in damage to its reputation, negative publicity, loss of customers and sales, increased costs to remedy any problem and costly litigation. Third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information, or otherwise compromise the security of Think's internal networks, electronic systems and/or physical facilities in order to gain access to its data or its customers' data, which could result in significant legal and financial exposure, loss of confidence in the security of its products, interruptions or malfunctions in its operations, and, ultimately, harm to its future business prospects and revenue.
As Think has access to sensitive and confidential information, including personal information and personal health information, and since Think may be vulnerable to material security breaches,

theft, misplaced, lost or corrupted data, programming errors, employee errors and/or malfeasance (including misappropriation by departing employees), there is a risk that sensitive and confidential information, including personal information and personal health information, may be disclosed through improper use of Think's systems, software solutions or networks or that there may be unauthorized access, use, disclosure, modification or destruction of such information. Think's ongoing risk and exposure to these matters is partially attributable to the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage, malfunction, human error, technological error or unauthorized access is a priority. As cyber threats continue to evolve and ransomware attacks continue to rise, Think may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Risks related to the COVID-19 pandemic

Think's business has been and will continue to be impacted by the COVID-19 pandemic, which has created, and continues to create, significant societal and economic disruptions. The COVID-19 pandemic has had, and will continue to have, a broad impact across industries and the economy, including by affecting: consumer confidence, global financial markets (with global equity markets having experienced significant volatility and weakness), regional and international travel, supply chain distribution of various products for many industries, government and private sector operations, the price of consumer goods and numerous other aspects of daily life and commerce, including resulting changes in business and consumer behaviours. Additionally, the COVID-19 pandemic has led, and may continue to lead, governments around the world to enact measures to combat the spread of the COVID-19 virus and variants thereof, including, but not limited to, the implementation of travel bans, border closings, mandated closure of non-essential services, self-imposed quarantine periods and social and physical distancing policies, which have contributed to the material disruption of businesses globally, resulting in a sudden economic slowdown. The ever-changing and rapidly-evolving effects of COVID-19 and its variants, the duration, extent and severity of which are currently unknown, on investors, businesses, the economy, society and the financial markets could, among other things, add volatility to the global stock markets, change interest rate environments and increase delinquencies and defaults. The degree to which COVID-19 may affect the Company's operations and performance will depend on future developments that are highly uncertain and cannot currently be predicted, including, but not limited to, the duration, extent and severity of the COVID-19 pandemic, actions taken to contain the virus, the impact of the COVID-19 pandemic and related restrictions on economic activity during the pandemic and in the post-pandemic recovery period, and the extent of the impact of these and other factors on the Company and its stakeholders.

The continued spread of COVID-19 and its variants could affect Think's ability to provide healthcare-related information technology services, and its business may be adversely affected or disrupted as a result of changing patient intake patterns and needs as well as reduced availability of physicians and/or support staff. In addition, the spread of COVID-19 and its variants, as well as measures enacted to contain and mitigate the effects of the virus may disrupt the operations of the Company, including by: causing delays in the conduct of clinical research studies by BioPharma; causing insufficient patients to be included in clinical research studies, necessitating that such studies be repeated; requiring business closures and the cancellation of elective surgeries, necessitating the closure of the Company's clinical services practices. The impacts of COVID-19 may also increase costs of clinical studies, require clinical studies to be redone; cause delays and/or rescheduling of procedures, and require potential clinic closures, as well as cause delays in closing enterprise-related sales as a result of COVID-19.

The COVID-19 pandemic could also result in adverse effects on the business and operations due to the prioritization of resources toward the pandemic or, if quarantines and restrictions impede physician, staff or patient movement, the interruption of healthcare services.

The immediate, continued and uncertain needs of healthcare systems to address COVID-19-related matters for healthcare institutions may result in significant delays in core strategic priorities of Think creating revenue growth and revenue retention risks for Think's business. As Think generates a substantial portion of its revenues from health system transformation projects, COVID-19 has caused a shift in short-term buyer priority that creates downstream challenges in long-term revenue growth for Think.

Risks related to possible software product and service defects

Think's software products and services are highly complex and sophisticated and, from time to time, may contain design defects, software errors, hardware failures or other computer system failures that are difficult to detect and correct. If these defects are discovered, Think may not be able to successfully correct such errors in a timely manner. In addition, despite the extensive tests Think conducts on all its software products and services, Think may not be able to fully simulate the environment in which its products or services will operate and, as a result, Think may be unable to adequately detect design defects or software or hardware errors which may become apparent only after the product is installed in an end-user's network, and users have transitioned to Think's services. The occurrence of errors and failures in Think's software products or services could result in the delay or the denial of market acceptance of its product. More importantly, since Think products are used to provide patient care, such errors may result in care delivery errors resulting in patient safety risks. Alleviating such errors and failures may require Think to make significant expenditure of its resources. Customers often use Think's services and solutions for critical business processes and as a result, any defect or disruption in Think's solutions may cause customers to reconsider using the software. The harm to Think's reputation resulting from product or service errors may be materially damaging. Since Think regularly provides a warranty with its software product, the financial impact of fulfilling warranty obligations may be significant. Think's agreements with its strategic partners and end-users typically contain provisions designed to limit its exposure to claims. However, such provisions may not effectively protect Think against claims and the attendant liabilities and costs associated with such claims. Any claims for actual or alleged losses of Think's customers may require Think to spend significant time and money in litigation or arbitration or to pay significant settlements or damages. Defending a lawsuit, regardless of merit, can be costly and would divert management's attention and resources. Although Think maintains insurance coverage, such coverage may not be adequate to cover all such claims.

Accordingly, any such claim could negatively affect its business, financial position, results of operations or cashflows.

Risks related to medical liability claims

Think’s clinical services businesses, operated by Health Care Plus and Clinic 360, and Think’s clinical research business, operated by BioPharma~~,~~ entail the risk of medical liability claims. Although Think carries insurance covering medical malpractice claims in amounts that Think believes are appropriate in light of the risks attendant to the business, successful medical liability claims could result in substantial damage awards that exceed the limits of Think’s insurance coverage. Professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as Think expands. As a result, adequate professional liability insurance may not be available to Think in the future at acceptable costs or at all. Any claims made against Think that are not fully covered by insurance could be costly to defend against, result in substantial damage awards and divert the attention of management from operations, which could have a material adverse effect on the business, financial condition and results of operations.

Risks Related to Product and Other Liability

Think is subject to product and other liability risks, including being named as a defendant in product liability lawsuits, which may allege that products or services we have provided from our services offerings have resulted or could result in an unsafe condition or injury. In addition, patients involved in our clinical services trials conducted by our clinical research services business or taking drugs approved on the basis of those trials may also bring personal injury claims against Think. Any such product liability claims could be significant and any adverse determination may result in liabilities in excess of our insurance coverage. Although Think carries product liability insurance, the Company cannot be certain that its current insurance will be sufficient to cover these claims or that it can be maintained on acceptable terms, if at all.

Risks related to the clinical research business operated by BioPharma

The delay, suspension or termination of current or future clinical trials to be conducted by BioPharma may have a material adverse impact on the business, financial condition or prospects of the Company’s clinical research business. The Company cannot predict whether it will encounter problems with its ongoing, planned or future clinical trials that will cause regulatory agencies, institutional review boards, or BioPharma to suspend or delay a trial. Clinical trials can be delayed for a variety of reasons, including but not limited to: unanticipated consequences of the formulation of the product candidate requiring BioPharma to pause the trial to allow its clinical trial sponsors to investigate alternative formulations; the occurrence of unacceptable drug-related side effects or adverse events experienced by participants in BioPharma clinical trials; discussions with regulators regarding the scope or design of our clinical trials and clinical data collection protocols; delays or the inability to obtain required approvals from institutional review boards or other responsible entities; adverse findings in clinical or nonclinical studies related to the safety of product candidates to be used in clinical trials; the amendment of clinical trial or data collection protocols to reflect changes in regulatory requirements and guidance, as well as subsequent amendments of clinical trial or data collection protocols by institutional review boards or other responsible bodies; and poorly executed testing, a failure of a clinical site to adhere to the clinical protocol, an unacceptable study design or other problems.

In addition, clinical trials may be suspended or terminated by BioPharma, clinical trial sponsors, institutional review boards or regulators due to a number of factors, including: failure to conduct the clinical trial in accordance with regulatory requirements or clinical protocols; inspection of the clinical trial operations or trial sites by regulatory authorities resulting in the imposition of a clinical hold; inability to resume a suspended trial in a timely manner, or at all; or unforeseen safety issues or any determination that a trial presents unacceptable health risks.

If BioPharma does not conduct and complete clinical trials in accordance with anticipated timelines, it may be unable to conduct additional clinical trials. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of a product candidate. Any delays in completing a clinical trial could increase our development costs, delay or prevent the availability of topline data expected to be available from the trial, delay our product development and regulatory submission process or make it difficult to raise additional capital.

Risks related to acquisitions and integrations of businesses

The Company may acquire additional businesses. The Company's M&A strategy involves a number of risks related to the realization of synergies and overall integration of the Company's operations, including but not limited to, human resources, company culture, product pricing, information technology, data integrity, information systems, business processes and financial management. Think cannot provide assurance that it can complete any acquisition or business arrangement that it pursues or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit Think. If a strategy of growth through acquisition is pursued, the failure of Think to successfully manage this strategy could have a material adverse effect on Think's business, results of operations and financial condition. Furthermore, if acquired businesses and assets are not successfully integrated, Think may not achieve the anticipated benefits or growth opportunities.

Risks related to changes in technology and Think's ability to enhance its products and develop new products

Think operates in a competitive industry characterized by rapid technological change and evolving industry standards. Think's ability to attract new customers, retain existing customers and increase revenue from existing customers will depend largely on its ability to anticipate industry standards and trends, respond to technological advances in its industry, and to continue to enhance existing products or to design and introduce new products on a timely basis to keep pace with technological developments and its customers' increasingly sophisticated needs. The success of any enhancement or new product depends on several factors, including the timely completion and market acceptance of the enhancement or new product. Any new product Think develops or acquires might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of Think's competitors implement new technologies before Think is able to implement them, those competitors may be able to provide more effective products than Think at lower prices. Any delay or failure in the introduction of new or enhanced products could harm Think's business, results of operations and financial condition. Think's ability to design, develop and commercially launch new products depends on a number of factors, including, but not limited to, its ability to design and implement solutions and services at an acceptable cost and quality, the availability of critical components from third parties and its ability to successfully complete the development of products in a timely manner. There is no guarantee that Think will be able to respond to market demands. If Think is unable to effectively respond to technological changes or fails or delays to develop products in a timely and cost-effective manner, its products and services may become obsolete, and Think may be unable to recover its research and development expenses which could negatively impact sales, profitability and the continued viability of its business.

Risks related to the use of open-source software

Think's operations depend, in part, on how it makes use of certain open-source software products, such as Ruby on Rails, ReactJS, Docker and many other supporting software libraries that enable it to create and deploy its solutions. These open-source software products are developed by third parties over whom Think has no control. Think has conducted no independent investigation to determine whether the sources of the open-source software have the rights necessary to permit Think to use this software free of claims of infringement by third parties. Think could be exposed to infringement claims and liability in connection with the use of these open-source software components, and Think may be forced to replace these components with internally developed software or software obtained from another supplier, which may increase its expenses. Think has conducted no independent investigation to determine whether the sources of the open-source software have the rights necessary to permit Think to use this software free of claims of infringement by third parties. The developer of the open-source software may be under no obligation to maintain or update that software, and Think may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to Think's services.

Certain open-source software licences provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modification, are also made available under the same terms and conditions. As a result, any modifications Think makes to such software may be made available to all downstream users of the software, including its competitors.

Open-source software licences may require Think to make source code for the derivative works available to the public. In the event that Think inadvertently uses open-source software without the correct licence form, or a copyright holder of any open-source software were to successfully establish in court that Think had not complied with the terms of a licence for a particular work, Think could be required to release the source code of that work to the public. Think could also incur costs associated with litigation or other regulatory penalties as a result.

Risks related to single suppliers

Think relies on a single supplier to provide the technology we offer for certain parts of our products and services. While there are alternative service providers to these solutions, if one of these key suppliers were to terminate its relationship with us, we could incur substantial delays and expense in finding and integrating an alternative technology service provider into the affected products and services, and the quality and reliability of such alternative technology may not be comparable. Any disruption of our use of, or interference with these key suppliers, including switching to an technology provider, could adversely affect the business. Any of these events could harm our reputation or subject us to significant liability, and materially and adversely affect our business, revenue growth and financial result.

Risks related to upgrading and maintaining information and technology systems

Think relies on various information technology systems to manage its operations. There are inherent costs and risks associated with maintaining, modifying and/or changing these systems and implementing new systems, including potential disruption of Think's internal control structure, substantial capital expenditures, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate its systems, demands on management time and other risks and costs of delays or difficulties in transitioning to new systems or of integrating new systems into Think's current systems. In addition, Think's information technology system implementations may not result in productivity improvements at a level that outweigh the costs of implementation. The implementation of new information technology systems may also cause disruptions in Think's business operations that may result in an adverse effect on its financial position, results of operations or cashflows.

Risks related to technology infrastructure

Think's continued growth depends, in part, on the ability of its existing and potential customers to access its platform 24 hours a day, seven days a week, without interruption or degradation of performance. This platform is provided by third party service providers, upon which Think is reliant. Think may experience disruptions, data loss, outages and other performance problems with its infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks, or other security related incidents.

In some instances, Think may not be able to identify the cause or causes of these performance problems immediately or in short order. Think may not be able to maintain the level of service uptime and performance required by its customers, especially during peak usage times and as its products become more complex and its user traffic increases.

If Think's platform is unavailable or if Think's customers are unable to access its products or deploy them within a reasonable amount of time, or at all, Think's business would be harmed. Since Think's products are considered essential to Think's customers and customers rely on Think's service to access and complete their work, any outage on Think's platform would impair the ability of its customers to perform their work, which would negatively impact Think's brand, reputation, customer satisfaction, and result in financial penalties payable by Think.

Risks related to industry competition

The industry in which Think operates is highly competitive, evolving and is characterized by technological change. Current or future competitors may have longer operating histories, larger customer bases, greater brand recognition and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than Think. As a result, Think's competitors may be able to develop products and services better received by customers or may be able to respond more quickly and effectively than Think can to new or changing opportunities, technologies, regulations, or customer requirements.

In addition, larger competitors may be able to leverage a larger installed customer base and distribution network to adopt more aggressive pricing policies and offer more attractive sales terms, which could cause Think to lose potential sales or to sell its solutions at lower prices. Competition may intensify as Think's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into Think's market segments or geographic markets. Think may also face additional competition from new entrants into the industry. If Think cannot compete against existing and future competitors, its business, results of operations and financial condition could be materially and adversely affected.

Think's success will be dependent on its ability to market its products and services. There is no guarantee that Think's products and services will remain competitive. Unforeseen competition, and the inability of Think to effectively develop and expand the market for its products and services, could have a significant adverse effect on the growth potential of Think. Think cannot assure that it will be able to compete effectively against existing and future competitors. In addition, competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on Think's business, financial condition or results of operations.

Risks related to internal controls

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, internal controls over financial reporting are not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation could harm Think's results of operations or cause Think to fail to meet its reporting obligations and may result in a restatement of its financial statements for prior periods. Ineffective disclosure controls and procedures and internal controls over financial reporting could also cause investors to lose confidence in Think's reported financial and other information, which would likely have a negative effect on the price of the Think shares.

Risks related to regulations

Healthcare service providers are subject to various governmental regulation and licensing requirements and, as a result, Think's business operates in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond Think's control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition and results of operations of the business. In addition, Think could incur significant costs in the course of complying with any changes in the regulatory regime applicable to its business. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations or financial performance of Think. Further, there is a risk that regulatory changes could arise that no longer allow for our educational products or services to be accredited generally, or specifically for continuing medical education requirements.

Think operates offices in Canada, Ireland, Australia and offers its products and services in the European Union, Canada, the United States, Gulf Cooperation Council (GCC), Australia and other countries. As a result, it is and will be subject to a variety of laws in these regions, including laws regarding consumer protection, privacy, data residency, intellectual property, taxation, content suitability, distribution and antitrust, which are continuously evolving and developing. The scope, enforcement and interpretation of the laws that are or may be applicable to Think and its subsidiaries are often uncertain and may be conflicting. It is also likely that as Think's business grows and expands into a greater number of countries, it will become subject to laws and regulations in additional jurisdictions. Compliance with applicable laws or regulations could be very difficult or liability could arise under these laws or regulations due to amendments to or evolving interpretation and enforcement of such laws and regulations. As a result, Think could be directly harmed and may be forced to implement new measures to reduce its exposure to this liability. This may require substantial resources to be expended or a modification of its product and services, which would harm the business, financial condition and results of operations of Think.

Risks related to medical college and regulatory accreditation

Certain of the courses offered by Think require medical college or other regulatory accreditation or approval in order for the medical professionals (e.g. doctors, nurses or pharmacists) to receive their continuing medical education or equivalent credits under the accrediting programs of various medical colleges or societies. If the rules for obtaining the accreditation for those courses change, or if the accreditation of those courses is no longer available, or is not available upon commercially reasonable terms and/or pricing, that may adversely affect Think's ability to offer such courses, and its associated business.

Risks related to reliance on key personnel and healthcare professionals

Think's success depends largely on the continued services of its executive officers and other key employees. Think relies on its leadership team and key personnel in the areas of research and development, operations, security, marketing, sales, customer support, general and administrative functions, and on individual contributors in its research and development and operations. From time to time, there may be changes in Think's executive management team and/or key personnel resulting from the hiring or departure of executives or other individuals, which could disrupt and harm Think's ability to implement its business plan. The loss of one or more of Think's executive officers or key employees could harm Think's business. In addition, to execute its growth plan, Think must attract and retain highly qualified personnel. Competition for this personnel is intense and there can be no assurances that Think will be able to continue to attract and retain the personnel necessary for the development and operation of Think's business. If Think fails to attract new personnel or fails to retain and motivate current personnel, its business and future growth prospects could be harmed.

Think also relies heavily on physicians and medical experts to assist in the development and review of its various content and knowledge products and services. If these healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in Think's business until mitigated accordingly. As such, vacancies in respect of Think's current healthcare professionals may cause interruptions to Think's business and result in lower revenues. In addition, as Think expands its operations, it may encounter difficulty in securing the necessary professional medical staff to support its expanding operations. There is currently a shortage of certain medical physicians in Canada, and this may affect Think's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect its business, financial condition and results of operations.

Risks related to relying on third-party services

Think relies heavily on third parties such as Google to provide some of its goods and services. If these third parties were unable or unwilling to provide these goods and services in the future due to COVID-19 or other events that cause interruptions in supply of such goods and services, Think would need to obtain such goods or services from other providers if they are available. This could cause Think to incur additional costs or cause material interruptions to its business until these goods and services are replaced if possible.

Risks related to failing to protect Think's intellectual property

Think is highly dependent on its ability to protect its proprietary technology and libraries of clinical content. It relies on a combination of trade secret laws, copyright protection, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. Think intends to protect its intellectual property rights vigorously; however, there can be no assurance that these measures will, in all cases, be successful. Software piracy has been, and is expected to be, a persistent problem for the software industry and piracy of Think's software product may represent a loss of revenue to Think. Despite the precautions that Think has taken, unauthorized third parties, including its competitors, may be able to copy certain portions of

Think's software product or reverse-engineer or obtain and use information that Think regards as proprietary.

Furthermore, Think's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to Think's technologies, and Think's competitive position may be adversely affected by its possible inability to effectively protect its intellectual property.

Risks related to intellectual property infringement

Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections, including patents, are applied to software products. Although Think does not believe that its products infringe on the rights of third parties, third parties may assert infringement claims against it in the future.

While most of Think's technology is proprietary in nature, Think may include certain third-party and/or open-source software in its software product. In the case of third-party software, Think believes this software is licensed from the entity holding the intellectual property rights; however, third parties may assert infringement claims against Think in the future. Any such assertion, regardless of merit, may result in litigation or may require Think to obtain a licence for the intellectual property rights of third parties. Such licences may not be available, or they may not be available on commercially reasonable terms.

In addition, as Think continues to develop software product functionality and expand its portfolio using new technology and innovation, its exposure to threats of infringement may increase. Any infringement claims and related litigation could be time-consuming, disruptive to Think's ability to generate revenues or enter into new market opportunities and may result in significantly increased costs as a result of Think's defence against those claims or its attempt to license the intellectual property rights or rework Think's product to avoid infringement of third-party rights. Typically, Think's agreements with its partners and customers contain provisions that require Think to indemnify them for damages sustained by them as a result of any infringement claims involving Think's product. Any of the foregoing infringement claims and related litigation could have a significant adverse impact on Think's business and operating results as well as Think's ability to generate future revenues and profits.

Risks related to litigation

Think may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause Think to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and Think could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. Substantial litigation costs or an adverse result in any litigation may adversely impact Think's business, operating results, or financial condition.

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Risks related to Think's ability to obtain satisfactory financing

In order to execute its anticipated growth strategy, Think may require additional equity and/or debt financing to support ongoing operations, undertake capital expenditures, or undertake business combination transactions or other initiatives. There can be no assurance that additional financing will be available to Think when needed or on terms that are acceptable, and the failure to obtain such financing could result in the delay or postponement of current or future business objectives. Think's inability to raise additional financing could limit Think's growth and may have a material adverse effect on its business, operations, results, financial condition or prospects. If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of the existing shareholders. Any debt financing secured in the future could involve restrictive covenants relating to capital-raising activities and other financial and operational matters, which may make it more difficult for Think to obtain additional capital and to pursue business opportunities.

Risks related to Think's history of losses

Think has a history of losses and may never achieve or sustain profitability. Think has incurred substantial losses since its inception, and it may not achieve profitability in the foreseeable future, if at all.

Risk related to foreign currency and exchange

Think reports its results in the Canadian dollar. Fluctuations in the exchange rates between the European Euro, United States Dollar, Canadian Dollar and various other currencies used in the jurisdictions in which Think does business may have a material adverse effect on the business, financial condition and operating results of Think.

Risks related to technology integration

Think relies in part on broad interoperability with a range of diverse devices, operating systems, and third-party applications. Think is dependent on the accessibility of its products and services across these third-party operating systems and applications that Think does not control. Third-party services and products are constantly evolving, and Think may not be able to modify its products and services to assure its compatibility with that of other third parties following development changes. Should the interoperability of Think's products and services across devices, operating systems and third-party applications decrease, or if clients are unable to easily and seamlessly access Think's products or information stored in Think's platform, the business, financial condition, and results of operations of Think could be harmed.

Risks related to the quality of information and data provided to clients

Think aggregates, processes, and analyzes healthcare-related data and information for use by its clients, in certain of its various products and services. Data in the healthcare industry may be fragmented in origin, inconsistent in format or incomplete. In addition, healthcare-related data and information are rapidly advancing, changing and developing. As such, the degree or amount of data that is knowingly or unknowingly absent or omitted can be material. If the analytical data and healthcare-related information that Think provides to clients are based on incorrect or incomplete data, or if mistakes are made in the capture, input, or analysis of such data, Think's reputation may suffer, Think's ability to attract and retain clients may be materially harmed, and Think may be subject to contractual penalties or claims by counterparties, which could, in turn, harm the business, financial condition, and results of operations.

Risks related to customer acquisitions

Think's success depends, in part, on its ability to attract and retain customers. There are many factors that could impact Think's ability to attract and retain customers, including but not limited to the ability to continually produce desirable and effective products, the successful implementation of customer-acquisition plans and the continued growth in the aggregate number of customers. The failure to acquire and retain customers would have a material adverse effect on Think's business, operating results, and financial condition, which could have a materially adverse effect.

Risks related to credit agreement

The Company's credit and convertible loan contains restrictive covenants that limit the discretion of its management with respect to certain business matters. These covenants place restrictions on, among other things, the Company's ability to: incur additional indebtedness; create liens with respect to its property; create guarantees or contingent obligations; sell, lease or otherwise dispose of its properties or assets, subject to certain conditions; merge, consolidate, amalgamate or complete other similar transactions; engage in a material line of business substantially different from its current businesses, or change the location of such businesses; issue dividends, bonuses or advances to shareholders, management or affiliates, subject to certain conditions; make capital expenditures in an aggregate amount greater than specified in any fiscal year; make investments; and acquire assets or securities of another entity, subject to certain conditions. In addition, the Company's credit agreement contains covenants requiring Think to maintain specified revenue, and EBITDA ratios and thresholds.

A failure to comply with the terms of the credit agreement could result in an event of default which, if not cured or waived, could result in all indebtedness owing to the Company's senior lender becoming immediately due and payable. Additionally, the credit agreement defines an event of default to include the acquisition by any person of equity interests of Think representing more than 25% of the total voting power of Think's equity interests. A change in direct or indirect shareholdings of the Company could therefore result in an event of default and require accelerated repayment of the outstanding indebtedness owing to the Company's senior lender. If the repayment of the credit facilities was to be accelerated, there can be no assurance that the security provided thereunder would be sufficient to repay the credit facilities in full.

Risks related to the dependence on suppliers and skilled labour

The ability of Think to compete and grow will be dependent upon having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that Think will be successful in maintaining its required supply of skilled labour, equipment, parts, and components. It is also possible that the final costs of the major equipment contemplated by capital expenditure programs may be significantly greater than anticipated or available, in which circumstance there could be a materially adverse effect on the financial results of Think.

Risks relating to weakening economic conditions and global financial conditions

Think's overall performance depends in part on worldwide economic conditions. Certain economies have experienced periods of downturn as a result of a multitude of factors, including, but not limited to, turmoil in the credit and financial markets, concerns regarding the stability and viability of major financial institutions, declines in gross domestic product, increases in unemployment and volatility in commodity prices and worldwide stock markets, and excessive government debt. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. The severity and length of time that a downturn in economic and/or financial conditions may persist, as well as the timing, strength and sustainability of any recovery, are unknown and are beyond Think's control. During such downturns, clients may delay or reduce technology purchases. Contract negotiations may become more protracted, or conditions could result in reductions in the use of Think's products and other services, longer sales cycles, pressure on Think's margins, difficulties in collection of accounts receivable or delayed payments, increased default risks associated with Think's accounts receivables, slower adoption of new technologies and increased price competition. Any of these events could have a material adverse effect on Think's business, results of operations and financial condition.

Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, pandemics, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of Think, or the ability of the operators of the companies in which Think will hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on Think and the price of Think's securities could be adversely affected.

Risks relating to compliance with laws

Think's operations are subject to various laws, regulations, and guidelines. Think endeavours to comply with all relevant laws, regulations, and guidelines. However, there is a risk that Think's interpretation of laws, regulations and guidelines may differ from those of others, and Think's operations may not be in compliance with such laws, regulations, and guidelines. In addition, the achievement of Think's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals required by Think may significantly delay or impact the development of Think's business and operations and could have a material adverse effect on the business, results of operations and financial condition of Think. Any potential non-compliance could cause the business, financial condition and results of the operations of Think to be adversely affected. Further, any amendment to applicable rules and regulations governing the activities of Think may cause adverse effects to Think's operations.

Think will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws or regulations, may have a material adverse impact on Think.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations, or rules in any of the countries in which Think may operate could result in an increase in Think's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner that could result in Think's profits being subject to additional taxation or which could otherwise have a material adverse effect on Think.

Risks related to inherent in strategic alliances

Think may enter into further, strategic alliances with third parties that it believes will complement or augment its existing business. Think's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance Think's business, and may involve risks that could adversely affect Think, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve the expected benefits to Think's business or that Think will be able to consummate future strategic alliances on satisfactory terms, or at all.

Risks relating to conflicts of interest

Think may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities. Think's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to Think. In some cases, Think's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to Think's business and affairs and that could adversely affect Think's operations. These business interests could require significant time and attention of Think's executive officers, directors and consultants.

In addition, Think may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time-to-time deal with persons, firms, institutions or corporations with which Think may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of Think. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of Think's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Think are required to act honestly, in good faith and in the best interests of Think.

Risks relating to foreign investments/expansion

Think may face new or unexpected risks or significantly increased exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition as a result of expansion into jurisdictions where it does not currently operate. In addition, expansion into other geographic areas could increase operational, regulatory, compliance, reputational and foreign exchange rate risks. Future international expansion could require Think to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, data residency, staff and regulatory compliance. These factors may limit the ability of Think to successfully expand operations into such jurisdictions and may have a material adverse effect on the business, financial condition and results of operations of Think.

Think's officers and directors may rely on local legal counsel and consultants in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect potential business operations, and to assist with governmental relations. Think may rely, to some extent, on those members of management and the board of directors who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. Think may also need to rely on the advice of local experts and professionals in connection with current and new regulations that develop with respect to banking, financing, labour, litigation and tax matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond Think's control and the impact of any such changes may adversely affect the business, financial condition and operations of Think.

Risks relating to limited operating history

Think has a limited history of operations and is in the early stage of development as it attempts to create an infrastructure to capitalize on the opportunity for value creation. Think is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The limited operating history may also make it difficult for investors to evaluate Think's prospects for success. There is no assurance that Think will be successful and the likelihood of success must be considered in light of its early stage of operations.

Think may not be able to achieve or maintain profitability and may incur losses in the future. In addition, Think is expected to increase its capital investments as it implements initiatives to grow its business. If Think's revenues do not increase to offset these expected increases, Think may not generate positive cash flow. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding.

Risks relating to management of growth

Think may be subject to growth-related risks. The ability of Think to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Think to deal with this growth may have a material adverse effect on Think’s business, financial condition, results of operations and growth prospects.

Risks relating to credit and liquidity

Think will be exposed to counterparty risks and liquidity risks including, but not limited to: (i) through financial institutions that may hold Think’s cash and cash equivalents; (ii) through companies that will have payables to Think; (iii) through Think’s insurance providers; and (iv) through Think’s lenders. Think will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of Think to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to Think. If these risks materialize, Think’s operations could be adversely impacted, and the price of its shares could be adversely affected.

Risks related to compliance with Canada’s Anti-Spam Legislation

Think may be subject to anti-spam laws, regulations and policies, including Canada’s Anti-Spam Legislation (“CASL”). CASL regulates if, when and how commercial electronic messages may be sent. In addition, CASL also prohibits the installation of programs on third-party computers without consent. In Canada, the regulatory authority responsible for enforcement of CASL has issued a bulletin that signals broad potential liability for electronic intermediaries (such as hosting providers and SaaS providers) for failing to take sufficient steps to stop third parties from using intermediary services and facilities to violate CASL, including prohibitions on sending electronic marketing messages. Corporations that are found in violation of CASL may be required to pay fines of up to $10 million. While Think has in place a compliance program with respect to CASL, including electronic communications guidelines to minimize the risk of non-compliance, a finding that Think is not in compliance with CASL or any other anti-spam laws, regulations or policies could damage the reputation of Think or bring about litigation, which may result in a material adverse effect on Think’s business, financial position, results of operations or cash flows.

Risks relating to dividend policy

The declaration, timing, amount and payment of dividends are at the discretion of the Think Board and will depend upon Think’s future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that Think will declare a dividend on a quarterly, annual or other basis.

Risks relating to mobile devices for content delivery

Mobile devices are increasingly being used for online course delivery, and if our solutions do not operate as effectively when accessed through these devices, our Creators and their Students may not be satisfied with our services, which could harm our business.

Changes in Accounting Standards

Any changes to accounting standards and pronouncements introduced by authorized bodies may impact on the Company's reported financial performance. The Company may also incur significant costs in order to comply with any proposed changes. Further, the Company may take positions with respect to the interpretation of accounting that differ from those made by regulatory authorities, resulting in changes to its financial statements or disclosure.

Critical Accounting Estimates

The preparation of consolidated 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 financial statements and the reported amounts of revenues and expenses during the reporting periods presented. In the opinion of management, the consolidated financial statements to be read in conjunction with this MD&A reflect all adjustments necessary to present fairly the results for the periods presented. Actual results could differ from these estimates. The following are critical estimates and judgments for which changes in assumptions could have a material impact on the consolidated financial statements.

Revenue recognition – revenue recognized over time

The Company has certain fixed price professional service contracts where the revenue is recognized by the stage of completion of the performance obligation determined using the percentage of completion method, which requires the estimation of total costs expected to be incurred to fulfil the contract.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in net income and comprehensive income in the years in which they become known. Actual results may differ significantly from management's estimates.

Revenue recognition – multi-element arrangements

The Company's contracts with customers may include multiple products and services. The Company evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources, and the Company's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation. Each transaction undertaken for transaction fee arrangements is distinct for the Company and is accounted for as separate performance obligation. Under software subscription and license revenue arrangements, subscription to access and use our cloud-based solution is accounted for as a single performance obligation and the sale of term licenses and support services are capable of being distinct and are accounted for as separate performance obligations.

The total consideration for the arrangement is allocated to the separate performance obligations based on their relative fair value and the revenue is recognized for each performance obligation when the requirements for revenue recognition have been met.

Fair value of financial instruments

The Company holds a number of financial instruments such as a contingent consideration, redeemable preferred shares, and options and warrants to purchase common shares, which are either required to be initially recorded at fair value or for which the proceeds must be allocated to the liability and equity components based upon their respective fair values. The determination of the fair values of debt instruments or the component parts of hybrid contracts and compound financial instruments containing both liability and equity components requires the use of valuation models and/or techniques for which the underlying assumptions are inherently subject to significant estimation and judgment. These models and techniques require that management make estimates and assumptions with respect to one or more of the following at the date of issuance: the fair value of common shares underlying stock options, warrants and/or conversion rights, expected volatility of the Company's share value, estimated life of options, warrants and/or conversion rights and interest rates, which could be obtained for debt instruments with similar terms and maturities.

Stock-based payments

The Black-Scholes option pricing model was developed for use estimating the fair value of traded options that were fully transferable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the estimated fair value per share, estimated stock price volatility, estimated lives of the options, estimated dividends to be paid by the Company and risk-free interest rates. Because changes in the input assumptions can materially affect the fair value estimate, such value is subject to measurement uncertainty. The effect on the consolidated financial statements from changes in such estimates in future years could be significant.

Expected credit losses ("ECLs")

The Company performs impairment testing at each reporting period for accounts receivable in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). The Company has elected to apply the simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The Company measures ECL by considering the risk of default over the contract period and incorporates forward-looking information into its measurement. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Deferred taxes

The calculation of deferred tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax is also subject to uncertainty regarding the magnitude to which non-capital losses available for carry forward will be utilized in the future.

These estimates and assumptions are reviewed periodically and as adjustments become necessary, they are reported in net loss and comprehensive loss in the years in which they become known. Actual results may differ significantly from management's estimates.

Investment tax credits receivable

Investment tax credits are recorded based on management's estimate that all conditions attached to its receipt have been met. The Company has investment tax credits receivable and expects to continue to apply for future tax credits as their research and development activities remain applicable. Therefore, the estimates related to the recoverability of these investment tax credits are important to the Company's financial position.

Estimated useful lives of long-lived assets

Management reviews useful lives of depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utilization in terms of duration of the assets of the Company. Actual utilization, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

Goodwill impairment testing and recoverability of assets

The Company has one cash generating unit (CGU) and reviews the value in use versus the carrying value both in total and for each of the individual assets. The recoverable amount of the cash-generating unit is estimated based on an assessment of value in use using a discounted cash flow approach. The approach uses cash flow projections based upon a financial forecast approved by management, covering a five-year period. Cash flows for the years thereafter are extrapolated using the estimated terminal growth rate. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events. Furthermore, the Company performs a market capitalization test comparing the current share price to the value in use. Impairment losses are recognized in the consolidated statements of operations and comprehensive income.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. All acquisitions have been accounted for using the acquisition method.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for one year from the acquisition date.

Functional currency

The functional currency of the Company and its subsidiaries is Canadian dollars and has been assessed by management based on consideration of the currency and economic factors that mainly influence operating costs, financing and related transactions. Changes to these factors may have an impact on the judgment applied in the future determination of the Company's and its subsidiaries' functional currency.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date, an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Incremental borrowing rates

The Company's incremental borrowing rate is used to estimate the initial value of the lease liability and associated right of use asset. The Company's incremental borrowing rate is determined with reference to the borrowing rate for a similar asset within a country for a similar lease term.

Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will has adequate resources to continue in operational existence for the foreseeable future and will be able to meet the covenants of the banking facilities. Considering changes in economic conditions as a result of COVID-19 and the risk characteristics of the underlying assets, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets.

Contingent consideration

The Company's contingent consideration related to business combinations is measured at fair value. The valuation of the consideration is calculated using a discounted cash flow model using the present value of expected payments and are discounted using the Company's risk-adjusted discount rate.