Management’s Discussion and Analysis

March 17, 2022 / This Management’s Discussion and Analysis of the Financial Position and Results of Operations (“MD&A”) is the responsibility of management and has been reviewed and approved by the Board of Directors. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators.

Throughout this document, NeuPath Health Inc. is referred to as “NeuPath”, “we”, “our” or “the Company”. This MD&A provides information management believes is relevant to an assessment and understanding of the consolidated results of operations, cash flows and financial condition of the Company. The following information should be read in conjunction with the Consolidated Financial Statements and the notes thereto for the year ended December 31, 2021. NeuPath’s accounting policies are in accordance with International Financial Reporting Standards (“IFRS”).

All amounts in this MD&A are expressed in thousands of Canadian dollars except per share, unit and warrant figures, unless otherwise noted.

The Company uses non-IFRS financial measures in this MD&A. For a detailed reconciliation of the non-IFRS measures used in this MD&A, please see the discussion under “Non-IFRS Financial Measures”.

Materiality of Disclosures

This MD&A includes information we believe is material to investors. We consider something to be material if it results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares, or if it is likely that a reasonable investor would consider the information important in making an investment decision.

Forward-looking Statements

Certain statements in this MD&A are forward looking statements which may include, but are not limited to, statements with respect to the future financial or operating performance of NeuPath and its projects, the market conditions, business strategy, corporate plans, objectives and goals, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of NeuPath to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled “Risk Factors” in this MD&A and in the section entitled “Risk Factors” in the Company’s Annual Information Form for the year ended December 31, 2021 dated March 17, 2022 (“AIF”). Although NeuPath has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and, other than as required by law, NeuPath disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

This MD&A also includes market data and forecasts with respect to the chronic pain, sports medicine, concussion, and workplace health services markets. Although the Company is responsible for all of the disclosure contained in this MD&A, in some cases the Company relies on and refers to market data and certain industry forecasts that were obtained from third party surveys, market research, consultant surveys, publicly available information and industry publications and surveys that it believes to be reliable. Unless otherwise indicated, all market and industry data and other statistical information and forecasts contained in this MD&A are based on independent industry publications, reports by market research firms or other published independent sources and other externally obtained data that the Company believes to be reliable. Any such market data, information or forecast may prove to be inaccurate because of the method by which it was obtained or because it cannot always be verified with complete certainty given the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties, including those discussed in the AIF under the heading “Risk Factors”. As a result, although the Company believes that these sources are reliable, it has not independently verified the information.

Non-IFRS Financial Measures

This MD&A makes reference to certain financial measures, including non-IFRS financial measures that are historical and non-GAAP or non-GAAP ratios. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing business performance and trends. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. The Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, gross margin, adjusted gross margin and loss from operations, and the following non-GAAP ratios: gross margin % and adjusted gross margin %, to provide supplemental measures of operating performance and thus highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also uses non-IFRS financial measures in order to prepare annual operating budgets and to determine management compensation. Below is an explanation of the composition of each such measure, as applicable, including a quantitative reconciliation of EBITDA and adjusted EBITDA to its most directly comparable financial measure disclosed in our financial statements to which the measure relates. See *Selected Financial Information* and *Results of Operations* for a quantitative reconciliation of gross margin, adjusted gross margin and loss from operations to its most directly comparable financial measure disclosed in the Consolidated Financial Statements for the year ended December 31, 2021, to which the measure relates.

EBITDA and Adjusted EBITDA

EBITDA refers to net income (loss) determined in accordance with IFRS, before depreciation and amortization, net interest expense (income) and income tax expense (recovery). The Company defines adjusted EBITDA, as EBITDA, plus stock-based compensation expense, restructuring costs, fair value adjustments, listing expense and transaction costs, impairment charges and finance income. Management believes EBITDA and adjusted EBITDA are useful supplemental non-GAAP measures to determine the Company’s ability to generate cash available for working capital, capital expenditures, debt repayments, interest expense and income taxes.

The following table provides a reconciliation of net loss and comprehensive loss to EBITDA and adjusted EBITDA:

	Three Months ended December 31		Year ended December 31	
	2021	2020	**2021**	2020
	$	$	**$**	$
Net loss and comprehensive loss	**(720)**	(587)	**(3,230)**	(5,058)
Add back:				
Depreciation and amortization	**842**	637	**3,085**	2,529
Net interest expense	**217**	179	**876**	1,468
Income tax expense (recovery)	**(299)**	(199)	**(17)**	198
EBITDA	**40**	30	**714**	(863)
Add back:				
Stock-based compensation	**(144)**	97	**517**	221
Fair value adjustments	**-**	-	**-**	405
Listing expense and transaction costs[1]	**260**	-	**1,314**	2,258
Finance income	**(8)**	(11)	**(34)**	(46)
Adjusted EBITDA	**148**	116	**2,511**	1,975

[1] Transaction costs for the year ended December 31, 2021, include professional fees related to the acquisition of HealthPointe Medical Centres Ltd. and a portion of accrued contingent consideration that under IFRS 3, *Business Combinations* was not permitted to be included in the acquisition cost and has been accounted for as remuneration rather than consideration transferred.

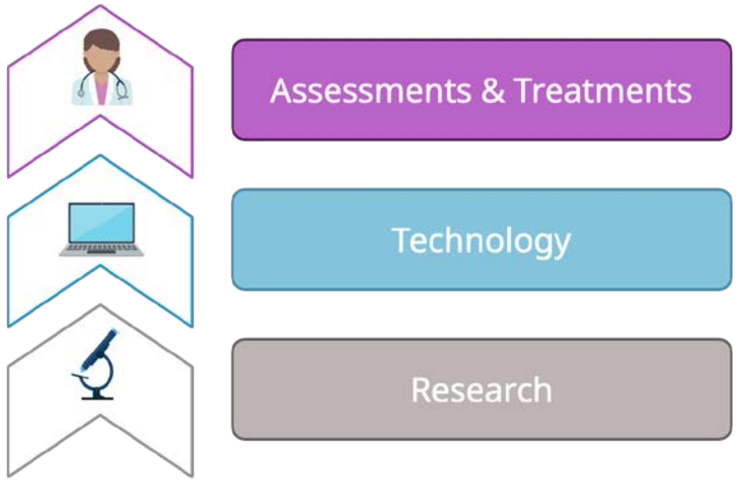
Gross Margin, Gross Margin %, Adjusted Gross Margin and Adjusted Gross Margin %

Management believes gross margin, gross margin %, adjusted gross margin and adjusted gross margin % are important supplemental non-GAAP measures for evaluating operating performance and to allow for operating performance comparability from period-to-period. Gross margin is calculated as total revenue minus cost of medical services. Gross margin % is calculated as gross margin divided by total revenue. Adjusted gross margin is calculated as gross margin, plus remuneration payment accruals related to the HealthPointe Medical Centres Ltd. ("HealthPointe") acquisition, Restricted Share Unit ("RSU") award accruals related to the HealthPointe physician vendors, and Canada Emergency Wage Subsidy ("CEWS") payroll subsidies available under the COVID-19 Economic Response Plan that were included in cost of medical services. Adjusted gross margin % is calculated as adjusted gross margin divided by total revenue.

Loss From Operations

Management believes loss from operations is an important supplemental non-GAAP measure for evaluating operating performance and to allow for operating performance comparability from period-to-period. Loss from operations is calculated as total revenue minus cost of medical services, general and administrative ("G&A") expenses, occupancy costs, depreciation and amortization, interest cost and restructuring cost.

Overview



NeuPath's mission is to improve access to care and outcomes for patients suffering from musculoskeletal ("MSK") conditions by leveraging technology, exploiting research and data-driven insights, and delivering physician-led multidisciplinary care.

The Company's vision is to build the leading national network of MSK care clinics, recognized for their quality of care, empathy-driven patient experience, and leading-edge treatment modalities. From a business perspective, the pursuit of the Company's vision is aimed at increasing the value of our brand to employers, unions and private payors (collectively "Employers"), current and potential patients referring healthcare professionals, NeuPath physicians and staff, and investors.

Research
Through a wholly owned subsidiary, NeuPath provides contract research services to pharmaceutical companies. More importantly, these clinical research capabilities allow the Company to evaluate the efficacy of new and existing services and treatments. In addition, the Company utilizes its research capabilities to fill research gaps in traditionally underfunded areas, like chronic pain. NeuPath has completed data collection and is now working to publish the findings from a 550-patient study focused on chronic pain and the impact of NeuPath's treatments on patients' lives.

Technology
NeuPath utilizes technology to enhance in-person care or to make care more accessible or more convenient for patients. During the COVID-19 pandemic in 2020, the Company enhanced its virtual care capabilities by converting approximately 10% of total patient visits to virtual visits. Virtual care is becoming increasingly important for patients. According to a recent study by Environics Research, 82% of Canadians believe their employer should provide access to virtual health care. In addition, NeuPath is currently working to develop a remote chronic pain management app that will allow patients to access education and tools that will help them better self-manage chronic pain. The Company's remote pain management app will utilize a more holistic, patient-centred approach to chronic pain management by including education and tools around sleep, exercise, diet and behaviour modification, in addition to traditional pharmacotherapy approaches for managing chronic pain. The app will allow for improved data collection and will facilitate improved communication between health care providers and patients. A recent study by University Health Network found that "digital solutions, including remote monitoring, can help chronic pain sufferers manage their pain".

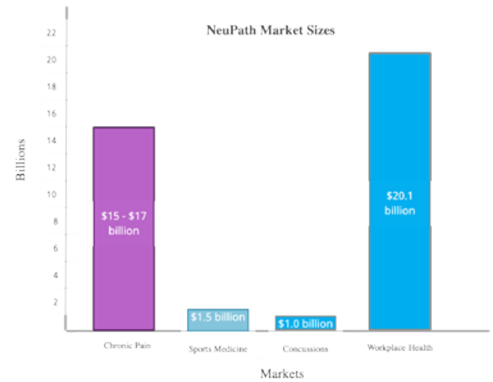
Multidisciplinary Care
NeuPath operates an interdisciplinary network of medical clinics in Ontario and Alberta and an independent medical assessment business with a national network of health care providers. The Company's medical clinics provide comprehensive assessments and rehabilitation services to clients with chronic pain, musculoskeletal/back injuries, sports related injuries and concussions. NeuPath's health care providers cover a broad range of specialties and include: Physiatrists, Neurologists, Anesthesiologists, General Practitioners with specialized training in chronic pain, as well as Medication Management Physicians, Athletic Therapists and Nurses.

NeuPath provides workplace health services and independent medical assessments to employers and disability insurers through a national network of health care providers, including: Cardiologists, Dentists, Dermatologists, Endocrinologists, Psychiatrists, Gastroenterologists, General Practitioners, Internal Medicine Specialists, Neurologists, Neuropsychiatrists, Neuropsychologists, Occupational Therapists, Ophthalmologists, Orthopedic Surgeons, Physiatrists, Physiotherapists, Psychologists, Respirologists and Rheumatologists.

NeuPath generates revenue by providing both insured and uninsured services to patients. Insured services include treatments or procedures covered by provincial health plans and third-party health insurance plans. In most cases, the insurer is billed directly by NeuPath. Uninsured services include assessments, treatments and procedures that are not covered by provincial health plans or third-party health insurance plans and are billed directly to patients.

Markets

The Company competes in the chronic pain, sports medicine, concussion and workplace health services markets in Canada. Conditions often coexist amongst these distinct markets, for example, chronic pain is one of the known consequences of a traumatic brain injury. NeuPath believes that having the ability to treat these often co-existing conditions and building collaborative, interdisciplinary teams of health care providers are distinct competitive advantages and are important foundations for improving patient care.



Chronic Pain

According to the Global Burden of Disease Study, chronic pain is the 4th most burdensome disease or condition[1]. Not surprisingly, chronic pain is also prevalent, impacting approximately 1 in 5 adults worldwide[2]. Despite chronic pain's prevalence and impact, it has only recently started to attract increased attention. In May 2019, the World Health Organization added chronic pain to its International Classification of Diseases for the first time. The International Classification of Diseases is used worldwide as a diagnostic tool to classify causes of injury or death and the addition of chronic pain will allow for better tracking of the impact and prevalence of chronic pain. In addition, the Canadian federal government formed the Canadian Pain Task Force in March 2019 to assess how chronic pain is currently managed and make recommendations for improvement. Both of these initiatives should result in increased attention on chronic pain.

In terms of cost, a recent study found that chronic pain cost between $38-$40 billion in Canada in 2019, of which $15-$17 billion represents direct health care costs[3].

Sports Medicine

According to a 2015 report by Parachute, injuries in sports and physical activity cost the Canadian health care system nearly $1.5 billion annually.

Concussions

Concussions or traumatic brain injuries ("TBIs") have gained prominence recently mainly due to research and improved understanding around chronic traumatic encephalopathy ("CTE") and its connection to head trauma. *The Cost of Injury in Canada* study, released in 2015, estimated the cost of head injuries in sports and recreation at $1.0 billion per year in Canada.

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(1) Kassebaum NJ, Smith AGC, Bernabé E, Fleming TD, Reynolds AE, Vos T, Murray CJL, Marcenes W; GBD 2015 Oral Health Collaborators. Global, Regional, and National Prevalence, Incidence, and Disability-Adjusted Life Years for Oral Conditions for 195 Countries, 1990-2015: A Systematic Analysis for the Global Burden of Diseases, Injuries, and Risk Factors. J Dent Res. 2017 Apr;96(4):380-387. doi: 10.1177/0022034517693566. PMID: 28792274; PMCID: PMC5912207.

(2) BU School of Public Health. (2017). Chronic Pain and the Health of Populations. Retrieved from https://www.bu.edu/sph/news/articles/2017/chronic-pain-and-the-health-of-populations/.

(3) The Canadian Pain Task Force. (2020). Working Together to Better Understand, Prevent, and Manage Chronic Pain: What We Heard. Cat.: H134-17/2020E-PDF. Retrieved from https://www.canada.ca/content/dam/hc-sc/documents/corporate/about-health-canada/public-engagement/external-advisory-bodies/canadian-pain-task-force/report-2020-rapport/report-2020.pdf.

Workplace Health Services

Spending on employee benefit group life and health plans in Canada was estimated to be $46.1 billion in 2019, with $21.9 billion spent on medical benefits. A significant portion of this cost is allocated to traditional benefits like medical, dental and life/AD&D. A recent study by Deloitte found that employers are increasingly aware that conditions like mental illness are costly for employers. As a result, some employers are investing in workplace mental health initiatives and, more importantly, are generating a positive return on investment.

According to a recent report by the Conference Board of Canada, health care costs in Canada are expected to increase substantially over the next decade due to an aging population, combined with population growth and the impact of COVID-19. Without substantial increases in public funding, Canadians could experience a reduction in access to care and employers could see a corresponding increase in lost productivity. Based on early experiences with workplace mental health initiatives, in an effort to reduce the costs associated with lost productivity, employers might look to implement other workplace health initiatives.

Significant Transactions

HealthPointe and CAO Partnership
On November 30, 2021, the Company announced it had entered into a partnership with Central Alberta Orthopedics ("CAO"), a leading provider of multidisciplinary care in musculoskeletal trauma and reconstructive surgery, to open an interdisciplinary pain institute in Red Deer, Alberta. The clinic is expected to be open to patients in May 2022 and ownership of the newly formed corporation is split 50/50 between HealthPointe and CAO.

Cynergi Memorandum of Understanding
On August 23, 2021, the Company announced a Memorandum of Understanding ("MoU") with Texas-based Cynergi Health Partners ("Cynergi"), a leading multidisciplinary company recognized for clinical excellence and for cutting edge treatment technologies for addiction and psychiatry, to evaluate the effectiveness of Cynergi's virtual reality ("VR") program targeting chronic pain management. Rilaxta VRx, Cynergi's category leading software, will be used in combination with other treatments offered at NeuPath. The companies will work on developing and co-marketing a combined offering - consisting of Rilaxta VRx and NeuPath's remote pain management and virtual care platform - across Canada and the U.S.

KumoCare Acquisition
On August 16, 2021, the Company closed the acquisition of KumoCare, a virtual care platform to further expand NeuPath's virtual care and telemedicine offerings. Under the terms of the definitive agreement, and in consideration for the purchase of 100% of the issued and outstanding shares of Aidly Inc. the owner of KumoCare, NeuPath has agreed to pay total consideration of up to $1.5 million subject to a net working capital adjustment, payable as follows: (i) $1.0 million paid in NeuPath shares at an issue price of $0.70 per share; and (ii) additional cash consideration of up to $0.5 million, based on the achievement of certain operational targets.

Prior to COVID-19, patients and their physicians alike preferred an in-person care experience. The care model changed out of necessity in 2020 to bring about virtual care via telemedicine that was both clinically useful and economically viable. NeuPath went from no virtual care visits in 2019 to nearly 10% of all consultations in 2020 and more than 11% in 2021. The acquisition of KumoCare and its virtual platform has led to numerous benefits to NeuPath and its patients, including, without limitation:

- reduced wait times with more efficient and easy access for both patients and their physicians;
- drives a new revenue line for NeuPath across all of NeuPath's offerings;
- the ability to provide care beyond the physical constraints of clinic locations and hours; and
- seamless integration with health card validation and payment processing.

HealthPointe Acquisition
On February 7, 2021, the Company completed the acquisition of HealthPointe. HealthPointe operates a 20,000 square foot facility in Edmonton, Alberta offering physician-based care services for a wide range of injuries and issues, including chronic pain management, spinal injuries, sport medicine and concussions. Patients receive interdisciplinary care from HealthPointe's roster of Physiatrists, Neurologists, Medication Management Physicians, Athletic Therapists and Nurses. In addition to the medical clinic, HealthPointe also holds a minority equity interest in two physiotherapy and sport medicine clinics in Alberta.

Under the terms of the Share Purchase Agreement, in consideration for the purchase of 100% of the issued and outstanding shares of HealthPointe, NeuPath agreed to pay total cash consideration of up to $4.7 million, including an upfront payment of $3.2 million and up to $1.5 million of contingent consideration over a two-year measurement period, based on the achievement of certain financial results, as well as the assumption of approximately $2.0 million of term debt spread across a number of facilities, which renew annually for consecutive 12-month periods bearing interest at the Royal Bank of Canada ("RBC") prime rate, and approximately $0.1 million for cash and other working capital adjustments.

Bought Deal Financing
On November 13, 2020, the Company closed a short-form prospectus offering, on a bought deal basis, including the full exercise of the underwriters' overallotment option. The Company issued a total of 13,340,000 units at the price of $0.90 per unit for aggregate gross proceeds of approximately $12.0 million. Each unit comprised of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of $1.25 until November 13, 2022. The Company has the right to accelerate the expiry date of the warrants, upon no less than 15 trading days' notice to the holders of warrants and issuing a news release announcing the acceleration, if the volume weighted average trading price of the common shares for any twenty consecutive trading days on the TSX Venture Exchange ("Exchange") exceeds $1.75 per share. In connection with the bought deal, the underwriters were paid cash commissions of $0.7 million and issued 800,400 broker warrants of the Company. Each broker warrant is exercisable to acquire one common share of the Company at the exercise price of $0.90 per common share until November 13, 2022. The Company incurred additional share issuance costs totalling approximately $0.7 million in connection with the financing.

Qualifying Transaction
On June 25, 2020, the Company closed its qualifying transaction with 2576560 Ontario Inc. ("257"), Canada's largest provider of chronic pain management services (the "Qualifying Transaction"). Prior to the Qualifying Transaction, the Company was known as Klinik Health Ventures Corp. ("Klinik"), a capital pool company as defined by Policy 2.4 of the Exchange. Pursuant to the terms of the Qualifying Transaction, the Company indirectly acquired all of the issued and outstanding shares of 257 in consideration for common shares of the Company. The Qualifying Transaction was effected through a reverse takeover structured as a court approved plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "Arrangement") on the terms and conditions set out in the arrangement agreement dated as of April 24, 2020, among the Company, 2752695 Ontario Inc. (a wholly owned subsidiary of the Company at the time) and 257.

Pursuant to the Arrangement: (i) the holders of common shares of 257 received five (5) common shares of the Company in exchange for each common share of 257 held by them (the "Exchange Ratio"); (ii) all outstanding options and warrants of 257 were exchanged, based on the Exchange Ratio, for options and warrants of the Company on substantially similar terms and conditions; and (iii) 257 amalgamated with 2752695 Ontario Inc. Immediately following the completion of the Arrangement, the Company completed a share consolidation on a 5:1 basis (the "Consolidation"). Upon completion of the Arrangement and the Consolidation, there were 28,503,446 common shares of the Company issued and outstanding, of which, former shareholders of 257 held approximately 86% of the Company's then issued and outstanding common shares. As a result, the Qualifying Transaction resulted in the reverse takeover of the Company by 257.

Upon completion of the Qualifying Transaction, the business of 257 became the business of the Company as a result of 257 becoming a wholly owned subsidiary of the Company. The common shares of the Company resumed trading on the Exchange on July 6, 2020 under the ticker symbol "NPTH".

Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a global pandemic. The outbreak resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, border shutdowns, self-imposed quarantine periods, closure of non-essential businesses and restrictive social measures, have caused material disruption to businesses globally, resulting in an economic slowdown and significant volatility in global equity markets.

The ongoing COVID-19 pandemic has had, and could continue to have, a negative impact on the Company's financial condition, results of operations, and cash flows. As of the date of this MD&A, the COVID-19 pandemic and the measures imposed by the governments in response thereto has increased the cost of personal protective equipment used by healthcare professionals in the Company's clinics; increased the Company's labour costs as a result of complying with COVID-19-related government regulations and public health guidelines; reduced the Company's existing patient appointments visits for those patients in quarantine or who are immunocompromised; reduced new patient consults that support future revenue and growth; and restricted the Company's ability to offer some programs that are part of patient therapy.

COVID-19 had a negative impact on the Company's revenue during the end of the first quarter and into the second quarter of 2020. To minimize the impact on revenue, we were able to shift some patients, physicians and staff to other clinics in our network. In addition, we started to offer virtual visits to our patients and since the start of COVID-19, we successfully converted approximately 11% of total patient visits to virtual visits.

In response to the negative economic impact of the COVID-19 pandemic, various government programs were announced to provide financial relief to affected businesses. The Company determined that it qualified for the Canada Emergency Wage Subsidy program under the COVID-19 Economic Response Plan in Canada. For the year ended December 31, 2021, the Corporation recognized payroll subsidies of $72 under the Canada Emergency Wage Subsidy program [December 31, 2020 - $789].

NeuPath's executive team is continually monitoring the evolution of COVID-19 and has focused on using technology to improve patient care. The health and safety of our employees, patients, physicians and community continue to be a top priority and the Company will continue to operate in a manner consistent with the emergency measures implemented by the Government of Canada and the Provinces of Ontario and Alberta to combat the spread of COVID-19.

Growth Strategy

The Company's growth strategy is focused on two key pillars:

- *Organic growth* - The Company's focus is to generate revenue growth by improving capacity utilization at its existing medical clinics. In addition to adding complementary services, adding health care providers, and improving patient throughput, the Company is also leveraging proprietary technology platforms to further improve utilization and build new revenue streams. For the year ended December 31, 2021, capacity utilization was 63% compared to 54% in the comparative year. Capacity utilization was negatively impacted in 2021 and 2020 by COVID-19.

- *Strategic acquisitions* - The market for medical clinics is highly fragmented in Canada. The Company acquired HealthPointe in Edmonton in February 2021 as the first step in its expansion into Western Canada. On September 22, 2021, the Company entered into a partnership with CAO to open an interdisciplinary pain institute in Red Deer, Alberta. The clinic is expected to be open to patients in May 2022 and ownership of the newly formed corporation is split 50/50 between HealthPointe and CAO. The Company plans to acquire medical clinics across the country to expand its national footprint and continue to leverage its existing infrastructure.

Selected Financial Information

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
	$	$	$
Operations			
Clinic revenue	**57,838**	44,921	46,594
Non-clinic revenue	**3,018**	2,718	3,044
Total revenue	**60,856**	47,639	49,638
Cost of medical services	**49,751**	37,920	39,681
Gross margin[1]	**11,105**	9,719	9,957
General and administrative expenses	**8,337**	6,731	6,770
Occupancy costs	**1,590**	1,309	1,397
Depreciation and amortization	**3,019**	2,499	2,451
Interest cost	**876**	1,468	1,937
Restructuring	**-**	-	550
Loss from operations[1]	**(2,717)**	(2,288)	(3,148)
Fair value adjustments	**-**	405	738
Finance income	**(34)**	(46)	(55)
Impairment	**-**	-	1,564
Listing expense and transaction costs	**564**	2,258	-
Other income	**-**	(45)	-
Net loss before income taxes	**(3,247)**	(4,860)	(5,395)
Income tax expense (recovery)	**(17)**	198	(85)
Net loss and comprehensive loss	**(3,230)**	(5,058)	(5,310)
Adjusted EBITDA[1]	**2,511**	1,975	1,898
Net loss per common share			
- basic and diluted	**(0.07)**	(0.21)	(0.34)
Weighted average number of common shares outstanding (in thousands)			
- basic and diluted	**45,135**	24,498	15,643
Financial Position *(As at December 31)*	**$**	$	$
Cash and cash equivalents	**5,903**	10,850	883
Total assets	**51,342**	46,120	37,990
Total liabilities	**25,512**	18,496	28,219
Total equity	**25,830**	27,624	9,771

1 Gross margin, loss from operations and adjusted EBITDA are non-IFRS measures. Please refer to *Non-IFRS Financial Measures* above.

Results of Operations

	Year ended December 31, 2021	Year ended December 31, 2020
	$	$
Clinic revenue	**57,838**	44,921
Non-clinic revenue	**3,018**	2,718
Total revenue	**60,856**	47,639
Cost of medical services	**49,751**	37,920
Gross margin[1]	**11,105**	9,719
Gross margin %[1]	**18.2%**	20.4%
Add back:		
HealthPointe RSU award accruals[2]	**375**	-
HealthPointe remuneration payment accruals[2]	**750**	-
CEWS payroll subsidies[3]	**(47)**	(451)
Adjusted gross margin[1]	**12,183**	9,268
Adjusted gross margin %[1]	**20.0%**	19.5%

1 Gross margin, gross margin %, adjusted gross margin and adjusted gross margin % are non-IFRS measures. Please refer to *Non-IFRS Financial Measures* above.
2 Includes accrued contingent consideration that under IFRS 3, *Business Combinations* was not permitted to be included in the acquisition cost and has been accounted for as remuneration rather than consideration transferred, and RSU equity award accruals also related to the HealthPointe acquisition.
3 CEWS payroll subsidies available under the COVID-19 Economic Response Plan that were included in cost of medical services.

Total revenue is comprised of clinic revenue and non-clinic revenue. Total revenue was $60.9 million for the year ended December 31, 2021 compared to $47.6 million for the year ended December 31, 2020.

Clinic revenue
Clinic revenue is generated through the provision of medical services to patients. Clinic revenue was $57.8 million for the year ended December 31, 2021 compared to $44.9 million for the year ended December 31, 2020. The acquisition of HealthPointe in February 2021 accounted for $10.7 million of the increase in clinic revenue in the year ended December 31, 2021, and the balance was related to organic growth from improved capacity utilization. Overall, capacity utilization increased to 63% for the year ended December 31, 2021 compared to 54% for the year ended December 31, 2020.

Non-clinic revenue
Non-clinic revenue was $3.0 million for the year ended December 31, 2021 compared to $2.7 million for the year ended December 31, 2020. Non-clinic revenue is earned from physician staffing where NeuPath provides physicians for provincial and federal correctional institutions and hospital health departments across Canada, and from contract research services provided to pharmaceutical companies and clinical research organizations. This revenue fluctuates depending on the need for physicians in certain institutions and the timing and enrolment of clinical studies that the Company is working on.

Significant Customers
Under IFRS 8, *Operating Segments* (“IFRS 8”), major customers are those that account for greater than 10% of the Company’s consolidated revenues. The Company has two major customers that accounted for 90% of the Company’s total revenue for the year ended December 31, 2021 [one major customer represented 93% of the Company’s total revenue for the year ended December 31, 2020]. The Company’s credit risk is low as its major customers are government organizations.

Operating Expenses

	Year ended December 31, 2021	Year ended December 31, 2020
	$	$
Cost of medical services	**49,751**	37,920
General and administrative	**8,337**	6,731
Occupancy costs	**1,590**	1,309
Depreciation and amortization	**3,019**	2,499
Interest cost	**876**	1,468
Total operating expenses	**63,573**	49,927

Total operating expenses were $63.6 million for the year ended December 31, 2021 compared to $49.9 million for the year ended December 31, 2020.

Cost of Medical Services
Cost of medical services was $49.8 million for the year ended December 31, 2021 compared to $37.9 million for the year ended December 31, 2020. For the current year, the cost of medical services increased due to increased total revenue, $0.8 million of remuneration payment accruals due to the HealthPointe acquisition and $0.4 million of RSU award accruals related to the HealthPointe physician vendors. In the comparative year, the cost of medical services included $0.5 million of CEWS payroll subsidies available under the COVID-19 Economic Response Plan. The cost of medical services as a percentage of total revenue was 81.8% for the year ended December 31, 2021 compared to 79.6% for the year ended December 31, 2020.

Gross margin was 18.2% for the year ended December 31, 2021 compared to 20.4% for the year ended December 31, 2020. Gross margin for the current year was impacted by remuneration payment accruals due to the HealthPointe acquisition, RSU award accruals related to the HealthPointe physician vendors and CEWS included in cost of medical services. Excluding these transaction-related accruals and CEWS, gross margin would have been 20.0% for the year ended December 31, 2021, as compared to 19.5% for the year ended December 31, 2020. (See *Non-IFRS Financial Measures - Gross Margin).*

General and Administrative
G&A expenses increased to $8.3 million for the year ended December 31, 2021 compared to $6.7 million for the year ended December 31, 2020. The increase in G&A expenses was due to the inclusion of HealthPointe and recognizing a full year of public company costs.

Occupancy Costs
Occupancy costs were $1.6 million for the year ended December 31, 2021 compared to $1.3 million for the year ended December 31, 2020. The increase in occupancy costs was due to the inclusion of HealthPointe and two new clinic leases signed during the current year. Occupancy costs represent the costs related to leased and owned facilities. As at December 31, 2021, the Company leased fourteen facilities and owned one facility.

Depreciation and Amortization
Depreciation and amortization expenses were $3.0 million for the year ended December 31, 2021 compared to $2.5 million for the year ended December 31, 2020. The increase in depreciation and amortization expenses during the current year was due to the acquisition of HealthPointe.

Interest Costs
Interest costs were $0.9 million for the year ended December 31, 2021 compared to $1.5 million for the year ended December 31, 2020. Interest costs related to the outstanding debt and interest charges due to accretion of interest on leases. The decrease in the current year was attributable to the conversion of preferred shares and convertible debentures to common shares in June 2020 pursuant to the completion of the Qualifying Transaction (See *Significant Transactions - Qualifying Transaction*).

Loss from Operations

Loss from operations was $2.7 million for the year ended December 31, 2021 compared to $2.3 million for the year ended December 31, 2020. The increase in loss from operations in the current year related to remuneration payment accruals attributable to the HealthPointe acquisition and $0.4 million of RSU award accruals, partially offset by increased total revenue.

Other Expenses (Income)

	Year ended December 31, 2021	Year ended December 31, 2020
	$	$
Fair value adjustments	**-**	405
Finance income	**(34)**	(46)
Listing expense and transaction costs	**564**	2,258
Other income	**-**	(45)
Total other expenses	**530**	2,572

Fair Value Adjustments

The Company recognized expenses of $nil for the year ended December 31, 2021 due to fair value adjustments on the preferred shares and convertible debentures compared to expenses of $0.4 million for the year ended December 31, 2020. Fair value adjustments related to the preferred shares and convertible debentures, which were converted to common shares as part of the Qualifying Transaction.

Finance Income

Finance income was $34 for the year ended December 31, 2021 compared to $46 for the year ended December 31, 2020. Finance income due to accretion on finance lease receivables related to subleases at its clinical and office locations in Canada.

Listing Expense and Transaction Costs

Listing expense and transaction costs was $0.6 million for the year ended December 31, 2021 compared to $2.3 million for the year ended December 31, 2020. In the current year, transaction costs related to the acquisition of KumoCare and the acquisition of HealthPointe. In the comparative year, listing expenses and transaction costs related to the Qualifying Transaction and includes a $1.3 million non-cash item that represents the difference between the purchase price and the net assets acquired.

Net Loss and Comprehensive Loss

	Year ended December 31, 2021	Year ended December 31, 2020
	$	$
Net loss before income taxes	**(3,247)**	(4,860)
Income tax expense (recovery)	**(17)**	198
Net loss and comprehensive loss	**(3,230)**	(5,058)

Income Tax Expense

Income tax recovery was $17 for the year ended December 31, 2021 compared to a $0.2 million income tax expense for the year ended December 31, 2020. Income tax expense includes provisions for current income tax and deferred income tax. During the year ended December 31, 2021, the Company's income tax expense (recovery) related to current income taxes generated from one of its wholly owned subsidiaries, which were more than offset by deferred taxes. The Company has available tax losses within its consolidated operations and is assessing its tax structure.

Net Loss and Comprehensive Loss

Net loss and comprehensive loss was $3.2 million for the year ended December 31, 2021 compared to $5.1 million for the year ended December 31, 2020. The improvement in net loss during the current year was attributable to increased total revenue, partially offset by transaction costs related to the HealthPointe acquisition. Included in the comparative year was $2.3 million of transaction costs related to the Company's Qualifying Transaction.

Segments

IFRS 8 requires operating segments to be determined based on internal reports that are regularly reviewed by the chief operating decision makers for the purpose of allocating resources to the segment and assessing its performance. The Company has one operating segment: medical services.

Liquidity and Capital Resources

	Year ended December 31, 2021	Year ended December 31, 2020
	$	$
Net loss and comprehensive loss	**(3,230)**	(5,058)
Items not involving current cash flows	**3,974**	5,668
Cash provided by operations	**744**	610
Net change in non-cash working capital	**1,175**	(1,256)
Cash provided by (used in) operating activities	**1,919**	(646)
Cash provided by (used in) investing activities	**(3,499)**	2,683
Cash provided by (used in) financing activities	**(3,367)**	7,930
Net change in cash and cash equivalents during the year	**(4,947)**	9,967
Cash and cash equivalents, beginning of year	**10,850**	883
Cash and cash equivalents, end of year	**5,903**	10,850

Cash and Cash Equivalents

As at December 31, 2021, cash and cash equivalents were $5.9 million compared to $10.9 million as at December 31, 2020.

Operating Activities

Cash provided by operating activities was $1.9 million for the year ended December 31, 2021 compared to cash used in operating activities of $0.6 million for the year ended December 31, 2020. The $2.6 million increase in cash provided by operating activities related to a working capital recovery of $1.2 million in the current year compared to a $1.3 million working capital investment in the comparative year.

Investing Activities

Cash used in investing activities was $3.5 million for the year ended December 31, 2021 compared to cash provided by investing activities of $2.7 million for the year ended December 31, 2020. Cash used in investing activities for the current year primarily related to the acquisition of HealthPointe (see *Significant Transactions - HealthPointe Acquisition*) and included $295 for the acquisition of equipment for medical clinics and $336 for software and other intangible assets related to the Company's new technology (See *Overview - Technology*). Cash provided by investing activities for the year ended December 31, 2020 related to cash received by the Company of $2.8 million upon completion of the Qualifying Transaction, slightly offset by $38 for the acquisition of equipment for medical clinics and $63 related to the development of software assets.

Financing Activities

Cash used in financing activities was $3.4 million for the year ended December 31, 2021 compared to cash provided by financing activities of $7.9 million for the year ended December 31, 2020. In the current year, cash used in financing activities was related to repayments of long-term debt and lease obligations. Cash provided by financing activities for the year ended December 31, 2020 was related to $10.6 million in net proceeds from the issuance of common shares, partially offset by $2.9 million in repayments of long-term debt, lease obligations and a promissory note.

Working Capital
The Company defines working capital as current assets, less accounts payable and accrued liabilities, provisions and current income tax liabilities. The Company anticipates that its current working capital and the revenue it expects to generate from its continuing operations will be sufficient to satisfy its current debt obligations and working capital needs for the next 12 months. The Company's ability to satisfy its non-current debt obligations will depend principally upon its future operating performance.

Capital Structure
The Company's strategy includes organic growth through improved capacity utilization and growth through strategic acquisition. To execute this strategy, the Company may need to access additional resources under existing loan arrangements or seek alternate sources of financing, including equity issuances.

The Company expects to continue to be able to meet all obligations as they become due using some or all of the following sources of liquidity: cash flow generated from operations, existing cash and cash equivalents on hand and additional borrowing capacity under its senior secured term loan facility. In addition, subject to market conditions, the Company may raise additional funding through equity financing. The Company believes that its capital structure will provide financial flexibility to pursue future growth strategies. However, the Company's ability to fund operating expenses and debt service requirements will depend on, among other things, future operating performance, which will be affected by general economic, industry, financial and other factors, including the impact of COVID-19 and other factors beyond the Company's control (See *Risk Factors)*.

Selected Quarterly Information

The following is selected quarterly financial information for the Company over the last eight quarterly reporting periods:

	Total 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Total 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
	$	$	$	$	$	$	$	$	$	$
Clinic revenue	**57,838**	14,696	14,389	15,211	13,542	44,921	12,243	11,434	10,452	10,792
Non-clinic revenue	**3,018**	885	766	716	651	2,718	567	571	770	810
Total revenue	**60,856**	15,581	15,155	15,927	14,193	47,639	12,810	12,005	11,222	11,602
Total operating expenses	**63,573**	16,534	15,873	16,809	14,357	49,927	13,652	12,116	11,978	12,181
Net loss and comprehensive loss	**(3,230)**	(720)	(660)	(1,148)	(702)	(5,058)	(587)	(290)	(3,351)	(830)
Adjusted EBITDA[1]	**2,511**	148	557	766	1,040	1,975	116	735	600	524
Net loss per common share - basic and diluted	**(0.07)**	(0.02)	(0.01)	(0.03)	(0.02)	(0.21)	(0.02)	(0.01)	(0.19)	(0.05)

[1] Adjusted EBITDA is a non-IFRS measure. Please refer to *Non-IFRS Financial Measures* above.

Fourth Quarter Results

Operating Results

	Three months ended December 31, 2021	Three months ended December 31, 2020
	$	$
Clinic revenue	**14,696**	12,243
Non-clinic revenue	**885**	567
Total revenue	**15,581**	12,810
Cost of medical services	**12,787**	10,292
General and administrative expenses	**2,291**	2,251
Occupancy costs	**416**	298
Depreciation and amortization	**823**	632
Interest cost	**217**	179
Total operating expenses	**16,534**	13,652
Other expenses (income)	**66**	(56)
Income tax recovery	**(299)**	(199)
Net loss and comprehensive loss	**(720)**	(587)

Total Revenue

Total revenue is comprised of clinic revenue and non-clinic revenue. Total revenue was $15.6 million for the three months ended December 31, 2021 compared to $12.8 million for the three months ended December 31, 2020.

Clinic revenue

Clinic revenue was $14.7 million for the three months ended December 31, 2021 compared to $12.2 million for the three months ended December 31, 2020. The acquisition of HealthPointe in February 2021 accounted for the increase in clinic revenue. Capacity utilization increased to 64% for the three months ended December 31, 2021 compared to 59% for the three months ended December 31, 2020.

Non-clinic revenue

Non-clinic revenue was $0.9 million for the three months ended December 31, 2021 compared to $0.6 million for the three months ended December 31, 2020. Non-clinic revenue is earned from physician staffing where NeuPath provides physicians for provincial correctional institutions, federal correctional institutions and hospital health departments across Canada, and from contract research services provided to pharmaceutical companies and clinical research organizations. This revenue fluctuates depending on the need for physicians in certain institutions and the timing and enrolment of clinical studies that the Company is working on.

Total Operating Expenses

Total operating expenses were $16.5 million for the three months ended December 31, 2021 compared to $13.7 million for the three months ended December 31, 2020.

Cost of Medical Services

Cost of medical services was $12.8 million for the three months ended December 31, 2021 compared to $10.3 million for the three months ended December 31, 2020. Cost of medical services represented 82.1% of total revenues for the three months ended December 31, 2021 compared to 80.3% for the three months ended December 31, 2020. The increase in the cost of medical services as a percentage of revenue was due to remuneration and RSU award accruals related to the HealthPointe acquisition in the current year.

General and Administrative

G&A expenses remained unchanged at $2.3 million for the three months ended December 31, 2021 and 2020. In the comparative period, G&A expenses included CEWS payroll subsidies of $30.

Occupancy Costs
Occupancy costs were $0.4 million for the three months ended December 31, 2021 compared to $0.3 million for the three months ended December 31, 2020. Occupancy costs represent the costs related to leased and owned facilities. As at December 31, 2021, the Company leased fourteen facilities and owns one facility.

Depreciation and Amortization
Depreciation and amortization expenses were $0.8 million for the three months ended December 31, 2021 compared to $0.6 million for the three months ended December 31, 2020.

Interest Cost
Interest costs were $0.2 million for the three months ended December 31, 2021 and 2020. Interest costs relate to the outstanding debt and interest charges due to the accretion of interest related to leases.

Other Expenses (Income)
The Company recognized other expenses of $66 for the three months ended December 31, 2021 compared to other income of $56 for the three months ended December 31, 2020.

Net Loss and Comprehensive Loss
Net loss and comprehensive loss was $0.7 million for the three months ended December 31, 2021 compared to $0.6 million for the three months ended December 31, 2020. The increase in net loss during the three months ended December 31, 2021 was primarily attributable to an increase in other expenses.

Liquidity

	Three months ended December 31, 2021	Three months ended December 31, 2020
	$	$
Net loss and comprehensive loss	**(720)**	(587)
Items not involving current cash flows	**572**	813
Cash provided by (used in) operations	**(148)**	226
Net change in non-cash working capital	**1,367**	(1,540)
Cash provided by (used in) operating activities	**1,219**	(1,314)
Cash used in investing activities	**(358)**	(64)
Cash provided by (used in) financing activities	**(964)**	9,890
Net change in cash and cash equivalents during the period	**(103)**	8,512
Cash and cash equivalents, beginning of period	**6,006**	2,338
Cash and cash equivalents, end of period	**5,903**	10,850

Cash and cash equivalents were $5.9 million as at December 31, 2021, a decrease of $4.9 million compared to $10.9 million as at December 31, 2020.

Cash provided by operating activities was $1.2 million for the three months ended December 31, 2021 compared to cash used in operating activities of $1.3 million for the three months ended December 31, 2020. The increase in cash provided by operating activities was a result of a $2.9 million change in non-cash working capital. The $1.5 million investment in working capital in the three months ended December 31, 2020 was primarily related to payments for professional fees incurred as a public company and those related to the Company's Qualifying Transaction.

Cash used in investing activities was $0.4 million for the three months ended December 31, 2021 compared to $64 for the three months ended December 31, 2020. During the current three-month period, cash used in investing activities included $157 for the acquisition of equipment for medical clinics and $85 for software and other intangible assets related to the Company's new technology (See *Overview - Technology*). During the three months ended December 31, 2020, the Company's cash used in investing activities related to the development of software for the Company's new technology.

Cash used in financing activities was $1.0 million for the three months ended December 31, 2021 compared to cash provided by financing activities of $9.9 million for the three months ended December 31, 2020. During the current three-month period, cash used in financing activities was attributable to $0.5 million in repayments of long-term debt and $0.5 million in lease obligation payments. Cash provided by financing activities for the three months ended December 31, 2020 was related to $10.6 million in net proceeds from the issuance of common shares, partially offset by $0.4 million in lease obligation payments and $0.3 million in scheduled debt payments.

Financial Instruments

Classification of Financial Instruments
Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The classification of the financial instruments, as well as their carrying values, are shown in the table below:

	December 31, 2021	December 31, 2020
	$	$
Financial assets at amortized cost		
Cash and cash equivalents	**5,903**	10,850
Accounts receivable	**8,474**	7,672
Total financial assets	**14,377**	18,522
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**8,284**	5,612
Provisions	**-**	150
Due to related parties	**3,674**	3,674
Long-term debt	**4,728**	4,329
Lease obligations	**8,000**	4,672
Other obligations	**500**	-
Total financial liabilities	**25,186**	18,437

The Company's financial instruments are measured at amortized cost and their fair values approximate carrying values.

Financial Instruments
IFRS 13, *Fair Value Measurements* requires disclosure of a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
- Level 2 - Observable inputs other than quoted prices in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Significant unobservable inputs that are supported by little or no market activity.

The Company reviews the fair value hierarchy classification on a quarterly basis. Changes to the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The Company did not have any transfer of assets or liabilities between Level 1, Level 2 and Level 3 of the fair value hierarchy during the years ended December 31, 2021 and 2020.

FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors mitigates these risks by assessing, monitoring and approving the Company's risk management process. This is not an exhaustive list of all risks nor will the mitigation strategies eliminate all risks listed.

Credit Risk

The Company, in the normal course of business, is exposed to credit risk from its customers. Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and cash equivalents and accounts receivable. The Company's objective with regards to credit risk in its operating activities is to reduce its exposure to losses. As the Company does not utilize credit derivatives or similar instruments, the maximum exposure to credit risk is the full amount of the carrying value of its cash and cash equivalents and accounts receivable.

The Company's accounts receivable relates to revenue earned from its customers. Credit risk is low as the Company's major customers are government organizations. Non-government customers include private health plans and employers, and do not significantly impact the Company's credit risk.

The Company's cash and cash equivalents are held with multiple financial institutions in various bank accounts. These financial institutions include four major banks in Canada, which the Company believes lessens the degree of credit risk. Cash and cash equivalents include cash on hand and current balances with banks and similar institutions, including money market mutual funds, which are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

The Company has not noted a significant change in the credit risk of its financial instruments as a result of COVID-19.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations as they become due. The Company's objective is to provide for expected cash requirements and accommodate for changes in liquidity needs. The Company manages this risk by managing its capital structure through continuous monitoring of its actual and projected cash flows.

As a result of COVID-19, the Company has reviewed the working capital requirements needed for medical supplies and the additional safety protocols that were implemented to comply with guidelines from the Ontario Government.

As at December 31, 2021, the Company's financial liabilities had contractual maturities as summarized below:

		Current	**Non-current**		
	Total **$**	**Within 12 Months** **$**	**1 to 2 Years** **$**	**3 to 5 Years** **$**	**> 5 Years** **$**
Accounts payable and accrued liabilities	**8,284**	8,284	-	-	-
Due to related parties	**3,674**	-	3,674	-	-
Long-term debt	**4,728**	3,441	256	1,031	-
Lease obligations	**8,000**	1,372	2,278	1,223	3,127
Other obligations	**500**	350	150	-	-
	25,186	**13,447**	**6,358**	**2,254**	**3,127**

The Company believes that its current working capital will be sufficient to satisfy its current debt obligations; however, the Company's ability to satisfy its non-current debt obligations will depend principally upon its future operating performance. The Company's inability to generate sufficient cash flow to satisfy its debt service obligations or to refinance its obligations on commercially reasonable terms could materially adversely impact the Company's business, financial condition or operating results.

Interest Rate Risk

Financial instruments that potentially subject the Company to cash flow interest rate risk are those assets and liabilities with a variable interest rate. Only two of the Company's loan facilities included in long-term debt have a variable interest rate. Accordingly, with respect to the carrying and fair values of interest-bearing liabilities, an assumed 25-basis point increase or decrease in interest rates would not have a significant impact on net loss and comprehensive loss.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company's lease obligations and long-term debt are at fixed rates of interest. Those that are non-interest bearing are carried at amortized cost and calculated using discount rates appropriate to the related debt.

The Company's policy is to minimize interest rate cash flow risk exposures on its long-term financing.

Litigation

From time to time, during the ordinary course of business, the Company may be threatened with, or may be named as, a defendant in various legal proceedings, including lawsuits. Such proceedings may include, but are not limited to product liability, personal injury, breach of contract and lost profits or other consequential damage claims. Currently, there are no material ongoing proceedings.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

The Company's related parties include certain investors and shareholders, subsidiaries and key management personnel.

Loans from Related Parties

The following related party balances were outstanding as at:

	December 31, 2021	December 31, 2020
	$	$
Due to Bloom Burton & Co. Inc.	**3,631**	3,631
Due to Bloom Burton Development Corp.	**43**	43
	3,674	3,674

The amount due to Bloom Burton & Co. Inc. ("BBCI"), a shareholder of the Company, is non-interest bearing, unsecured and due on demand. BBCI has agreed not to call the loan prior to December 31, 2023.

The amount due to Bloom Burton Development Corp. ("BBDC"), a shareholder of the Company, is non-interest bearing, unsecured and due on demand. BBDC has agreed not to call the loan prior to December 31, 2023.

On February 26, 2018, as part of the acquisition of Renaissance Asset Management (London) Inc., a promissory note in the amount of $650 was issued to the vendors as part of the purchase consideration. The promissory note bore interest at a rate of 4% per annum and matured on February 26, 2020. A partial repayment was made against the promissory note during 2019 in the amount of $80. The Company repaid the remaining balance of the promissory note during the three months ended March 31, 2020.

Outstanding Share Data

As at December 31, 2021, the Company had (i) 46,560,341 common shares, (ii) 22,120,333 common share purchase warrants (with strike prices ranging from $0.0001 to $2.00 per common share), (iii) 77,476 RSUs (all unvested) and (iv) 1,253,110 stock options (of which 660,528 have vested), issued and outstanding. The fully diluted number of common shares outstanding at the date hereof is 70,011,260.

On February 23, 2021, 3,225,000 prepaid warrants with a fair value of $3.0 million and exercise price of $0.0001 were exercised for common shares. The Company received nominal cash proceeds upon exercise. Subsequent to year end, the Company extended the expiry dates of the Prefunded Warrants for an additional year from February 23, 2022 to February 23, 2023. All other terms of the Prefunded Warrants will remain unchanged.

During the year ended December 31, 2021, the Company issued 1,428,571 common shares related to the acquisition of KumoCare and 63,324 common shares related to the vesting of RSUs.

During the year ended December 31, 2021, 210,000 stock options with an exercise price of $1.00 and 135,462 stock options with an exercise price of $0.87 were forfeited and 322,458 stock options with an exercise price of $1.00 expired. During the current year, 57,375 units of RSUs were forfeited.

During the year ended December 31, 2021, 3,503,750 warrants with an exercise price of $1.00 and 10,820 warrants with an exercise price of $1.30 expired.

Critical Accounting Policies and Estimates

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions at the date of the Consolidated Financial Statements that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting periods. Management has identified accounting estimates that it believes are most critical to understanding the Consolidated Financial Statements and those that require the application of management's most subjective judgments, often requiring estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. The Company's actual results could differ from these estimates and such differences could be material. All significant accounting policies are disclosed in Note 4, *Adoption of New Accounting Standards* and Note 5, *Summary of Significant Accounting Policies* of the Company's annual Consolidated Financial Statements for the year ended December 31, 2021.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board ("IASB") or IFRS Interpretations Committee for fiscal periods beginning on or after January 1, 2022. The standards impacted that may be applicable to the Company are as follows:

(a) *Amendments to IFRS 9, Financial Instruments, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

As part of its 2018 - 2020 annual improvements to the IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier adoption permitted. The Company will apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The implementation of this amendment is not expected to have a significant impact on the Company.

(b) *Amendments to IAS 8, Definition of Accounting Estimates*
In February 2021, the IASB issued amendments to IAS 8 to help entities distinguish between accounting policies and accounting estimates. The amendments focus on clarifying the definition of accounting estimates and are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and estimates that occur on or after the start of that period, with earlier application permitted. The amendments are not expected to have a material impact on the Company.

(c) *Amendments to IAS 1, Disclosure of Accounting Policies*
In February 2021, the IASB issued amendments to *IAS 1, Disclosure of Accounting Policies* and *IFRS Practice Statement 2, Making Materiality Judgments*, to help entities in deciding which accounting policies to disclose in their financial statements. The amendments require the disclosure of material accounting policies rather than significant accounting policies. To support this change, the IASB developed guidance on the application of the four-step materiality process to accounting policy disclosures. The amendments are applied prospectively and are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted.

(d) *Amendments to IAS 1, Classification of Liabilities as Current or Non-Current*
In January 2020, the IASB issued *Classification of Liabilities as Current or Non-Current*, amending *IAS 1, Presentation of Financial Statements* to improve the information provided about non-current liabilities with covenants. The proposed amendments address the classification, presentation and disclosure of liabilities for which an entity's right to defer settlement for at least 12 months is subject to compliance with conditions after the reporting period and are effective for annual reporting periods beginning on or after January 1, 2023, with earlier adoption permitted. The implementation of this amendment is not expected to have a significant impact on the Company.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Risk Factors

The Company is exposed to a variety of known and unknown risks in the pursuit of its strategic objectives. The impact of any risk may adversely affect, among other things, the Company's business, reputation, financial condition, results of operations and cash flows, which may affect the market price of its securities.

The Company attempts to mitigate its strategic risks to an acceptable level through a variety of policies, systems and processes. A summary of certain significant risks that are reasonably likely to affect the financial performance of the Company is set forth above under the heading entitled *Financial Risk Management* and below as it pertains to the business and industry of the Company. For a comprehensive discussion of the risks and uncertainties that could have an effect on the business and operations of the Company, investors are urged to review the AIF, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

An investment in the common shares is speculative and involves a high degree of risk due to the nature of the Company's business. It is recommended that investors consult with their own professional advisors before investing in the common shares.

Risk Factors relating to the Company's Business and Industry

Governmental regulation and funding, permits and licenses
Government regulations and funding play a key role in the Canadian healthcare sector. Any alleged failure by the Company to comply with applicable laws and regulations may lead to the imposition of fines and penalties or the denial, revocation or delay in the renewal of permits and licenses issued by governmental authorities. Furthermore, government policy related to healthcare spending can change and decisions can

be made regarding funding that are largely beyond the Company's control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services could adversely affect the Company's financial condition and results of operations. In addition, complying with changes in government regulations could require significant investments or could result in increased costs for the Company. The Company may also be subject to audits, fines, or other penalties in the event of non-compliance with regulations, either existing or proposed. Non-compliance could also adversely affect the reputation, operations or financial performance of the Company.

Geographic concentration
All of the Company's clinics are located in Canada, specifically in the Province of Ontario and the Province of Alberta. As a result, the Company's performance will be particularly sensitive to economic, political and regulatory changes in Canada, generally, and in the Province of Ontario and the Province of Alberta, specifically. Adverse changes in the economic condition, political or regulatory environment in Canada, generally, and in the Province of Ontario and the Province of Alberta, specifically may have a material adverse effect on the Company's business, financial position, results of operations or cash flows.

Reliance on healthcare professionals
Physicians and other healthcare professionals provide essential services to the Company. An interruption, either temporary or permanent, in services provided by physicians and other healthcare professionals to the Company or its patients could have a material adverse effect on the Company's business, financial position, results of operations or cash flows. In addition, the Company's growth initiatives heavily rely on securing the services of additional physicians and other healthcare professionals. There are periodic shortages of certain medical physicians in Canada and this may affect the Company's ability to secure the services of additional physicians and other healthcare practitioners in order to successfully execute the Company's growth initiatives.

As of December 31, 2021, approximately 70 employees are represented by a union covered by a collective bargaining agreement. While the Company maintains a positive relationship with its respective union, future renegotiations of the collective bargaining agreement could result in work disruption including work stoppages or work slowdowns. Should a work stoppage occur, it could interrupt the Company's operations at the impacted clinics which in turn could adversely effect on the Company's business, financial position, results of operations or cash flows.

Epidemic or pandemic outbreaks – COVID-19 pandemic
In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

The ongoing COVID-19 pandemic has had, and could continue to have, a negative impact on the Company's financial condition, results of operations, and cash flows. As of the date of this MD&A, the COVID-19 pandemic and the measures imposed by the governments in response thereto has increased the cost of personal protective equipment used by healthcare professionals in the Company's clinics; increased the Company's labour costs as a result of complying with COVID-19-related government regulations and public health guidelines; reduced the Company's existing patient appointments visits for those patients in quarantine or who are immunocompromised; reduced new patient consults that supports future revenue and growth; and restricted the Company's ability to offer some programs that are part of patient therapy.

In response to the negative economic impact of COVID-19 pandemic, various government programs were announced to provide financial relief to affected businesses. The Company determined that it qualified for the CEWS program under the COVID-19 Economic Response Plan in Canada. For the year ended December 31, 2021, the Company recognized payroll subsidies of $72,000 under the CEWS program.

During this past year, the Provinces in which the Company operates successfully rolled out its vaccine campaigns and additional public health measures such as mandatory presentation of a vaccine passport, which led to the gradual lifting of restrictions in some instances. However, the timeline of the transition to a fully reopened global economy remains uncertain and the risk of resurgence of cases or variant strains of COVID-19 remains high. The extent to which such events impact the Company's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted with any degree of confidence. Such events have had and could continue to have a material adverse effect on the Company's business, financial condition and results of operations. Even after the COVID-19 pandemic has subsided, the Company may continue to experience materially adverse impacts to its business as a result of the pandemic's global economic impact, and amplify various risks set forth herein.

Future acquisitions
The Company may acquire assets or businesses that it believes will provide more tools or allow the Company to provide more patients with the care and tools they need to live a complete and fulfilled life. During this past year, the Company completed the acquisition of HealthPointe and KumoCare. The Company's acquisition strategy involves numerous risks, including, without limitation:

i. certain of the Company's acquisitions may prove unprofitable and fail to generate anticipated cash flows;
ii. to successfully manage a growing portfolio of medical services businesses and other properties, the Company may need to recruit additional senior management as there can be no assurance that senior management of acquired companies will continue to work for the Company and, in a highly competitive labour market, the Company cannot be certain that any of its recruiting efforts will succeed. In addition, the Company may need to expand corporate infrastructure to facilitate the integration of its operations with those of acquired properties, because failure to do so may cause the Company to lose the benefits of any expansion that it decides to undertake by leading to disruptions in the Company's ongoing businesses or by distracting management;
iii. entry into markets and geographic areas where the Company has limited or no experience;
iv. the Company may encounter difficulties in the integration of operations and systems, app technology or other software infrastructure;
v. management's attention may be diverted from other business concerns; and
vi. the Company may lose key employees of acquired companies.

Growth initiatives
The Company's ability to successfully grow its business through increasing utilization rates at existing clinics and through acquisitions will be dependent on a number of factors, including: successfully recruiting and training additional healthcare providers; attracting sufficient referrals from new and existing healthcare providers; the identification of suitable acquisition targets in both new and existing markets; the negotiation of purchase agreements on satisfactory terms and prices; securing attractive financing arrangements; and the integration of newly acquired operations into the existing business. Any acquisition will involve a number of risks, including: the inability to integrate the operations, personnel and information systems of the acquired business; the potential acquisition of previously undisclosed liabilities; the possibility that the Company pays more than the acquired business is worth; the increase in the operating complexity of the Company as a result of the acquisition; and the potential disruption of the Company's ongoing business and the diversion of management's attention from its day-to-day operations. Any failure by the Company to manage its acquisition strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Reliance on third-party referrals
The success of the Company's business depends, in part, in its ability to attract new patients, particularly in markets in which the Company has limited clinics or no brand awareness. In order to expand its patient base in these markets as well as existing markets, the Company depends on patient referrals from unaffiliated physicians, nurse practitioners and other third parties who have no contractual obligations to refer patients to the Company's clinics. If a significant number of physicians and other third parties were to discontinue or significantly reduce the rate at which they refer patients to the Company's clinics, the Company's treatment volume could materially decrease, which would reduce its revenue and operating margins, which could have a material adverse effect on the Company's business and financial condition.

Information technology
The Company will rely on the continued and uninterrupted performance of its information technology systems in order to transmit and store sensitive and confidential data, including personal health information.

Sustained system failures or interruptions could disrupt the Company's ability to operate effectively, which in turn could adversely affect its business, results of operations and financial condition.

The Company's computer systems and mobile app applications may be vulnerable to damage from a variety of sources, including physical or cyber-attacks, computer viruses and similar disruptive problems. There can be no assurance that the Company's controls will be adequate to safeguard against unanticipated problems leading to unauthorized access, use, or disclosure of sensitive information, corruption or destruction of data, or operational disruption.

In addition, the jurisdictions in which the Company operates have adopted breach of privacy and data security laws or regulations that require notification to consumers if the security of their personal information is breached, among other requirements. A Parliamentary Committee has recently recommended certain changes to *Personal Information Protection and Electronic Documents Act* (Canada), the federal privacy and data protection statute in Canada, including new administrative enforcement powers and new financial penalties for non-compliance. There is a risk that the Government may implement changes to this statute that may result in additional compliance or changes in our business practices, or create additional risk of liability or sanction, or all of the foregoing. In addition, governmental focus on data security may lead to additional legislative action, and the increased emphasis on information security may lead patients to request that the Company take additional measures to enhance security or restrict the manner in which the Company collects and uses patient information. As a result, the Company may have to modify its business systems and practices with the goal of further improving data security, which would result in increased expenditures and operating complexity.

A compromise of the Company's information technology systems or confidential information, or that of the Company's patients and third parties with whom the Company interacts, may result in negative consequences, including the inability to continue providing services to patients and customers, damage to the Company's reputation, 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 the Company's business, financial position, results of operations or cash flows for which the Company's insurance policies may not provide adequate compensation. In addition, evolving cyber threats may require significant investments by the Company or could result in increased costs for the Company.

Competition

The Company operates in competitive markets that can change rapidly and are highly impacted by the actions of other market participants. Aside from government regulations, licensing requirements, and relationships the Company has built up with healthcare providers, insurance companies, employers, and patients, there is little to prevent the entrance of new competitors providing similar services to those that are provided by the Company. There can be no assurance that the Company will be able to compete effectively for referrals from healthcare providers or insurance companies if better capitalized or more experienced competitors enter the Company's markets. In addition, new competitors could make it difficult for the Company to recruit new healthcare providers.

Reliance on key personnel

The Company is highly dependent upon its executive officers and key personnel. The unexpected loss of the services of any of these individuals could have a detrimental effect on the Company. There is no guarantee that the Company will retain members of its management team, and if the Company were to lose a member of its management team unexpectedly, its business, prospects, financial condition and results of operations may be adversely affected.

Confidentiality of personal and health information

Employees and consultants of the Company and its subsidiaries, in the course of their duties, will have access to personal health information and, specifically, medical histories of patients or claimants of clients of the Company. There can be no assurance that the Company's policies, procedures and systems will be adequate to address privacy legislation or the privacy concerns of existing and future patients or clients. The Company could be liable for damages, fines, penalties, or reputational damage in the event of a privacy breach or if a patient or client's privacy is violated.

Reliance on third parties
Third parties, including electronic medical record and information technology vendors, are integral to the Company's operations. If, for any reason, the Company could no longer access the services provided by these third parties, the Company would need to obtain such services from other providers. This could have a material adverse effect on the Company's business, financial position, results of operations or cash flows.

Uncertainty of liquidity and capital requirements
The Company's future capital requirements will depend on many factors, including the rate of growth of its client base, the costs of expanding into new markets and the growth of the chronic pain, sports medicine, concussion, and workplace health services markets. In order to meet such capital requirements, the Company may consider additional public or private financing (including the incurrence of debt and the issuance of additional equity securities) to fund all or a part of particular programs, which could entail dilution of the Common Shares. There can be no assurance that additional funding will be available when needed or, if available, that it will be available on favourable terms. If the Company fails to obtain adequate capital on a timely basis or if capital cannot be obtained at reasonable costs, the Company may have to curtail acquisition activities, reduce substantially or otherwise eliminate certain expenditures, including marketing of its services, or obtain funds through arrangements with corporate partners that may require the Company to relinquish rights to certain assets. There can be no assurance that the Company will be able to raise additional capital if its capital resources are exhausted.

The Company is subject to risks associated with leasing space and equipment. Any failure to make lease payments when due, or the inability to extend, renew or continue to lease space and equipment in key locations, would likely harm the Company's business, profitability and results of operations
The Company leases all but one of its clinic locations. In accordance with the Company's growth strategy, it also intends to expand into new geographic regions within Canada. Accordingly, the Company is subject to all of the risks associated with leasing, occupying and making tenant improvements to real property.

The success of any of the Company's clinics depends substantially upon its location. There can be no assurance that the Company's current locations will continue to be desirable in the future, or that the Company will be able to secure new desirable locations in the future on favourable terms or at all. Patient conversion and revenues may be adversely affected by, among other things, social and economic conditions in a particular area, competition from nearby pain management treatment facilities, out-of-pocket treatment costs, and changing lifestyle choices of patients in a particular market. If the Company cannot obtain desirable locations at reasonable costs, the Company's cost structure will increase and its revenues will be adversely affected.

Some of the lease agreements have additional renewal options. However, there can be no assurances that the Company will be able to extend, renew or continue to lease its existing clinic locations, or identify and secure alternative suitable locations.

The Company depends on cash flow from operations to pay its lease expenses and to fulfill other cash needs. If the Company's business does not generate sufficient cash flow from operating activities to fund these expenses and sufficient funds are not otherwise available, the Company may not be able to service its lease expenses, which could harm its business. If an existing or future location is not profitable, and the Company decides to close it, the Company may nonetheless be committed to perform its obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, if the Company is not able to enter into new leases or renew existing leases on terms acceptable to it, this could have an adverse effect on the Company's business and financial condition.

The regulatory framework in which the Company operates is constantly evolving
Healthcare laws and regulations are constantly evolving and could change significantly in the future. The Company closely monitors these developments and will modify its operations from time to time as the regulatory environment requires. There can be no assurances, however, that the Company will always be able to adapt its operations to address new law or regulations or that new laws or regulations will not adversely affect the Company's business. In addition, although the Company believes that it is operating materially in compliance with applicable federal and provincial laws and regulations, neither the Company's current or anticipated business operations nor the operations of the Company's contracted physician

practices have been the subject of judicial or regulatory interpretation. The Company cannot assure investors that a review of the Company's business by courts or regulatory authorities will not result in a determination that could materially adversely affect the Company's operations or that the healthcare regulatory environment will not change in a way that materially restricts the Company's operations. Furthermore, governments, government agencies and industry self-regulatory bodies in the Canada may, from time to time, adopt statutes, regulations and rulings that directly or indirectly affect the activities of the Company. These regulations could adversely impact the Company's ability to execute its business strategy and generate revenues as planned.

Insurance

All physicians working for the Company will be covered by their own malpractice insurance policies. In addition, the Company will maintain general liability, fire and flood insurance with policy specifications, limits and deductions for its clinics. There can be no assurance that the coverage will be sufficient or that, in the future, policies will be available at adequate levels of insurance or at acceptable costs. Moreover, there are certain types of risks, generally of a catastrophic nature, such as wars or natural disasters, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the assets of the Company may not be sufficient to satisfy these losses and this may have a material adverse effect on the Company's business, financial position, results of operations or cash flows.

Reliance on reimbursements by third-party insurance providers

The Company's revenue levels will be affected by the percentage of its patients with third-party insurance coverage. A patient's insurance coverage may change for a number of reasons, including changes in the patient's or a family member's employment status. If there is a significant change in the Company's payor mix, resulting in a reduction in the number of patients with third-party insurance coverage declining, the Company's revenues, earnings and cash flows could be substantially reduced.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under applicable securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Common Shares.

Billing and collection systems

The Company's billing system is critical to the Company's billing operations. If there are defects in the billing system, the Company may experience difficulties in its ability to successfully bill and collect for services rendered, including a delay in collections, a reduction in the amounts collected, increased risk of retractions from and refunds to commercial and government payors, an increase in uncollectible accounts receivable and non-compliance with reimbursement regulations, any or all of which could have a material adverse effect on the Company's revenues, cash flows and operating results.

In addition, the Company accepts payments using a variety of methods, including credit cards and debit cards. For existing and future payment methods the Company offers its patients, the Company may become subject to additional regulations and compliance requirements, as well as fraudulent activities. For certain payment methods, including credit and debit cards, the Company pays interchange and other fees, which may increase over time, raising the Company's operating costs and lowering profitability. The Company relies on third party service providers for payment processing services, including the processing of credit and debit cards. The Company's business may be negatively affected if these third-party service providers become unwilling or unable to provide these services to the Company. The Company is also subject to payment card association operating rules, including data security and management rules, certification requirements and rules governing electronic funds transfers and if the Company fails to comply with these rules or requirements, or if the Company's data security systems are breached or compromised, the Company may be liable for card issuing banks' costs, subject to fines and higher transaction fees and/or lose its ability to accept credit and debit card payments from its patients and process electronic funds transfers or facilitate other types of payments, and the Company's business and operating results may be adversely affected.

Restrictions imposed by the RBC Loan Facilities
The RBC Loan Facilities impose certain significant operating and financial restrictions on the Company. The RBC Loan Facilities include various restrictive covenants relating to future acquisitions, indebtedness, operations, investments, capital expenditures and other standard operating business covenants, which significantly limit the ability of certain of the Company's material operating subsidiaries.

These restrictions could limit the Company's ability to capitalize on attractive growth opportunities for its business or otherwise engage in activities that may be in the Company's long-term best interests that are currently unforeseeable, particularly if the Company is unable to secure financing or make investments to take advantage of such opportunities.

The failure of the Company to comply with these covenants could result in an event of default that, if not cured or waived, could result in the acceleration of substantially all amounts outstanding under the RBC Loan Facilities. The Company may not have sufficient working capital to satisfy such debt obligations in the event of an acceleration of the RBC Loan Facilities which accounts for a significant portion of the Company's outstanding indebtedness. The RBC Loan Facilities are secured by all of the assets of the Company.

Risks of future legal proceedings
The Company may, from time to time, be subject to litigation claims in the ordinary course of its business. In particular, the Company can be subject to claims relating to actions of medical personnel performing services at the Company's clinics. Litigation is inherently costly and unpredictable, making it difficult to accurately estimate the outcome, among other matters. Any litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the Company's business, financial conditions and results of operations.

The Company may be subject to additional taxes, which could affect the Company's operating results
The Company and its subsidiaries file all required income tax returns and is of the view that it is in material compliance with all applicable tax laws. However, such tax returns are subject to reassessment by the applicable jurisdictional tax authorities and the Company has been subject to such reassessments from time to time. In the event of a reassessment of the Company's tax returns, such reassessment may have an impact on current and future taxes payable.

Legislative changes may also have an adverse impact on the Company's operations and performance. Changes in tax related laws and regulations, and interpretations thereof, can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting tax deductions, and eliminating tax-based incentives. In addition, jurisdictional tax authorities or courts may interpret tax regulations differently than the Company does, which could result in tax litigation and additional costs and penalties. Such legislative changes may have an adverse impact on the Company's business, financial condition and results from operations.

Potential conflicts of interests
Certain directors and officers of the Company will also serve as directors and/or officers of other companies or may have significant shareholdings in other companies including companies in the same sector. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest, in accordance with the procedures set forth in the OBCA and other applicable laws.

Increased costs as a result of being a public company
As a public issuer, the Company is subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Company's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future.

The requirements of existing and potential future rules and regulations will increase the Company's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business, financial condition, and results of operations.

The Company is a holding company

The Company is a holding company and virtually all of its assets consist of the equity it holds in its subsidiaries. As a result, investors are subject to the risks attributable to the Company's subsidiaries and any and all future affiliates. The Company does not have any significant assets and conducts substantially all of its business through its subsidiaries, which generate all or substantially all of the Company's revenues. The ability of the Company's subsidiaries to distribute funds to the Company will depend on their operating results, tax considerations and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by these subsidiaries and contractual restrictions contained in the instruments governing their debt, existing or if incurred. In the event of a bankruptcy, liquidation or reorganization of one or more of the Company's subsidiaries or any other future subsidiary, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Company.

Risks Related to the Common Shares

The Common Shares will be subject to various factors that may make the price of the Common Shares volatile

The market price of the Common Shares could fluctuate significantly, in which case it may not be possible to re-sell the Common Shares at or above the price of the Common Shares today. The market price of the Common Shares may fluctuate based on a number factors in addition to those set out elsewhere herein, including: (i) the COVID-19 pandemic; (ii) the Company's operating performance and the performance of the competitors and other similar companies; (iii) the public's reaction to the Company's news releases, other public announcements and the Company's filings with the various securities regulatory authorities; (iv) changes in earnings estimates or recommendations by research analysts who track the Common Shares or the securities of other companies in the industry that the Company operates; (v) changes in the general economic conditions and the overall condition of the financial markets; (vi) the arrival or departure of key personnel; and (vii) acquisition, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Common Shares will be affected by many variables not directly related to the Company's success and not within the Company's control, including developments that affect the healthcare industry as a whole, the breadth of the public market for the Common Shares, and the attractiveness of alternative investments. In addition, securities markets have experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. As a result of these and other factors, the price of the Common Shares may be volatile in the future and may decline below the price of the Common Shares today. Accordingly, investors may not be able to sell its Common Shares at or above the price of the Common Shares today.

Liquidity

The price of the Common Shares may fluctuate in response to a number of events and factors, including but not limited to: the Company's financial condition, financial performance and future prospects; public announcements and the Company's filings with the various securities regulatory authorities and changes in general market and economic conditions. There can be no assurance that an active and liquid market will be developed for the Common Shares, and if developed, it may not be sustained, and an investor may find it difficult to resell any securities of the Company.

Dilution

The Company may require additional funds in respect of the further development of its business. If the Company raises funds by issuing additional equity securities, such financing will dilute the equity interest of its shareholders.

Any future profits will likely be used for the continued growth of the business and products and will not be used to pay dividends on the issued and outstanding Common Shares
The Company will not pay dividends on the issued and outstanding Common Shares in the foreseeable future. If the Company generates any future earnings such cash resources will be retained to finance further growth and current operations. The Board will determine if and when dividends should be declared and paid in the future based on the Company's financial position and other factors relevant at the particular time. Until the Company pays dividends, which it may never do, a shareholder will not be able to receive a return on his or her investment in the Common Shares unless such Common Shares are sold. In such event, a shareholder may only be able to sell his, her or its Common Shares at a price less than the price such shareholder originally paid for them, which could result in a significant loss of such shareholder's investment.

Significant shareholders
The shareholding levels of certain shareholders of the Company will give such shareholders significant influence on decisions to be made by shareholders, including the ability to influence the election of directors of the Company as well as the approval of future transactions requiring shareholder approval. There is a risk that the interests of the Company's significant shareholders will differ from those of other shareholders.

Sale of the Company's securities by directors, officers and/or significant shareholders
Subject to compliance with applicable securities laws, directors, officers and/or significant shareholders may sell some or all of their Common Shares in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares by directors, officers and/or significant shareholders will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by management shareholders and/or significant shareholders, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares.

If industry analysts cease to publish research or publish inaccurate or unfavourable research about the Company or its business, the Company's trading price of its Common Shares or its trading volume could decline
The trading market for the Common Shares depends in part on the research and reports that industry or securities analysts publish about the Company or the Company's business. If the Company obtains industry or securities analyst coverage and if one or more of the analysts who cover the Company downgrade the Common Shares, the trading price of the Common Shares may decline. If one or more of the analysts cease coverage of the Company or fails to publish reports on the Company regularly, the Company could lose visibility in the financial markets, which in turn could cause the Common Share price or trading volume to decline. Moreover, if the Company's results of operations do not meet the expectations of the investor community, or one or more of the analysts who cover the Company publishes inaccurate or unfavourable research about the Company's business, the trading price of the Common Shares may decline.

Maintaining TSXV listing standards
The Company must meet continuing listing standards to maintain the listing of its Common Shares on the TSXV and there is no assurance that it will do so. If the Company fails to comply with listing standards the TSXV delists its Common Shares, the Company and its shareholders could face significant material adverse consequences, including significantly reduced liquidity for its Common Shares.

As a public company, the business is subject to evolving corporate governance and public disclosure regulations that may from time to time increase both the Company's compliance costs and the risk of non-compliance, which could adversely impact the price of the Common Shares.