Carebook

CAREBOOK TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2021, and 2020

The following has been prepared for the purposes of providing Management Discussion and Analysis ("**MD&A**") of the consolidated financial and operational condition of Carebook Technologies Inc. ("**Carebook**", the "**Company**", "**us**" and "**our**") as at December 31, 2021. This MD&A is designed to provide the reader with a greater understanding of the financial performance of Carebook, its business strategy and how well it manages risk and capital resources. This MD&A, prepared as of May 1, 2022, is intended to improve the interpretation of the Company's audited annual consolidated financial statements for the twelve-month periods ended December 31, 2021 and 2020 (the "**Financial Statements**"), and should therefore be read in conjunction with said document and its accompanying notes.

BASIS OF PRESENTATION

Carebook was formerly known as Pike Mountain Minerals Inc. ("**Pike**") up to the completion of the three-cornered amalgamation described in Note 20 of the Financial Statements. It was determined, based on IFRS 3 and IFRS 10, that Pike was the accounting acquiree and Carebook Technologies (2020) Inc., formerly known as Carebook Technologies Inc. ("**Carebook 2020**"), was the accounting acquirer since the former shareholders of Carebook 2020 now control the Company. This MD&A and accompanying Financial Statements were prepared as a continuation of the financial statements and management discussion and analysis of Carebook 2020 but reflecting the equity instruments of Pike as a result of the RTO (as defined hereinafter). As a result, comparative information included herein from the year ended December 31, 2020 is solely that of Carebook 2020. For simplicity, transactions undertaken by Carebook 2020, during the first three quarters of 2020, are referred to as being undertaken by the Company. Also, for simplicity, for all periods prior to October 1, 2020, references to the Company are references to Carebook 2020, unless the context requires otherwise.

The Financial Statements were prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("**IASB**"). All financial information included in this MD&A is presented in thousands of Canadian dollars ("**$000s CAD**"), except share and per share amounts, when referring to stock options, warrants or units, or unless otherwise indicated. Not applicable ("**N/A**") is used to indicate that the percentage change between the current and comparative figures is not meaningful, or if the percentage change exceeds 1,000%.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the growth, results of operations, performance, and business prospects and opportunities of Carebook. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions. As such, undue reliance should not be placed on such forward-looking statements. In addition, this MD&A may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements are necessarily based on estimates and assumptions made by management in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as factors that management believes are appropriate. Forward-looking statements in this MD&A include, but are not limited to statements regarding Carebook, its subsidiaries and their businesses, including regarding the potential synergies from the acquisitions of InfoTech and CoreHealth (each as defined below), the future growth prospects of the Company, results of operations, performance, and business prospects and opportunities of the Company, the future international expansion of Carebook, the Company's M&A strategy, the future growth of the digital health market, and the impacts of the COVID-19 pandemic on the business and operations of Carebook.

These forward-looking statements are based on the beliefs of the management of Carebook as well as on assumptions which management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate.

Such assumptions and beliefs include, among other things: that Carebook will be able to execute its business strategy successfully such that the future growth, results of operations, performance, and business prospects and opportunities of Carebook will be as anticipated; the Company's ability to obtain regulatory approvals; the demand for the technology of Carebook; the continued growth of the digital health market; the ability for Carebook to maintain existing strategic partnerships and attract new partners; the ability for Carebook to obtain new financing and maintain existing financing on acceptable terms; the ability for Carebook to retain skilled management and staff; the ability for Carebook to commercialize its technologies; the impact of the COVID-19 pandemic on the market demand for the products of Carebook; the ability of Carebook to successfully execute its international expansion; the ability of Carebook to realize the synergies and benefits of completed acquisitions of InfoTech and CoreHealth; and the ability of Carebook to successfully integrate and consolidate acquired businesses (such as InfoTech and CoreHealth).

Although management of Carebook believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Carebook cannot guarantee future results, levels of activity, performance, or achievements. Some of the risks and other factors, some of which are beyond the control of Carebook, which could cause results to differ materially from those expressed in the forward-looking statements contained in this MD&A include, but are not limited to: failure to obtain regulatory approvals; market volatility in the Company's common shares; dilution of shareholders from future sales of the Company's securities; dividends; market for the Company's common shares; disclosure controls and procedures and internal controls over financial reporting; discretion over the use of proceeds of completed financings; heavily regulated industry; privacy and security regulations; immature and volatile digital health and telehealth market; dependence on strategic partners; information security breaches and disruptions; growth limitations; additional financing and sources; development and enhancement of new products; competitive environment; international expansion; international operations; acquisitions; dependence on third party technologies; failure to secure research grants; use of open source software; intellectual property and other proprietary rights; public company status; director conflict of interests; operating risks; the experience and expertise of the Company's management and employees, and the attraction and retention of these key personnel; capital investment by the Company's customers; customer project implementations; liquidity; current global financial conditions; implementation of the Company's commercial strategic plan; level of indebtedness and inability to generate sufficient cash to service debt, changes in creditworthiness and the potential increase in the cost of capital; potential product liabilities and other lawsuits to which the Company may be subject; foreign currency fluctuations; interest rate changes; technology and regulatory changes; internal information technology infrastructure and applications; cyber security; and COVID-19.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding Carebook. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this MD&A generally and certain economic and business factors, some of which may be beyond the control of Carebook. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading “Item 21 – Risk Factors” in the Listing Application of the Company dated September 28, 2020 and filed on SEDAR under the Company’s profile at www.sedar.com. The forward-looking statements herein reflect the Company’s expectations as at May 1, 2022, when the Company’s board of directors approved this document, and are subject to change after this date. Carebook does not intend, and does not assume any obligation, to update any of the forward-looking statements after the date of this MD&A so as to conform such statements to actual results or to changes in the expectations of Carebook, other than as required by applicable securities law. For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as Carebook’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect Carebook’s estimates, or assumptions prove inaccurate. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Company Overview

Carebook was incorporated on July 11, 2018 under the *Business Corporations Act (British Columbia)* (**“BCBCA”**) under the name Pike Mountain Minerals Inc. On October 1, 2020, the Company (then known as Pike), together with its wholly owned subsidiary 12235978 Canada Ltd., completed a three-cornered amalgamation with Carebook 2020 to complete a reverse takeover transaction (the “**RTO**”). In connection with the closing of the RTO, the Company changed its name to “Carebook Technologies Inc.”

As a result of the RTO, Carebook 2020 became a wholly owned subsidiary of the Company. Carebook 2020 had a wholly owned subsidiary named Carebook Technologies (OPS) Inc. Refer to the Company’s Listing Application dated September 28, 2020 and filed on SEDAR under the Company’s profile at www.sedar.com for further information about the RTO.

On January 1, 2021, these three entities were amalgamated pursuant to the BCBCA and the amalgamated entity retained the name “Carebook Technologies Inc.”

Effective as of September 15, 2021, the Company continued (the “**Continuance**”) out of the jurisdiction of the *Business Corporations Act* (British Columbia) and into the jurisdiction of the *Canada Business Corporations Act* (the “**CBCA**”).

The Continuance was approved by the shareholders of the Company at the annual general and special meeting of shareholders held on June 30, 2021 (the “**Meeting**”). The principal effects of the Continuance are set out in detail in the management information circular for the Meeting dated May 18, 2021 (the "**Circular**"). Copies of the Circular and charter documents for the Continuance are available on SEDAR under the Company's profile at www.sedar.com.

The Business of Carebook

Headquartered in Montreal, Canada, Carebook is dedicated to the use of science and technology to provide exceptional health experiences. Led by a world class team and experienced Board of Directors, the Company has adopted a people-first view of the use of technology in healthcare delivery, and its goal is to create accessible, connected healthcare for everyone.

The Carebook platform connects approximately 3.5 million members to a host of healthcare solutions and providers, empowering these individuals to take control of their own health journeys.

The majority of Carebook's revenues for the period covered by this MD&A were generated in the United States and Canada, with some revenue generated in Europe, Latin America, and Asia. Virtually all of the Company's assets are held in Canada. Carebook operates in a single reporting segment.

Carebook's offering can be broken down into two complementary products. The first is platform as a service for employers and wellness providers, and the second is software as a service providing employee health assessments and insights for employers. In the employer vertical, Carebook's ideal customers are medium to large employers across a variety of industries, as well as key pharmacy clients, who aim to improve their employees' health, attendance, and productivity. The Company provides these employers with a comprehensive suite of digital health solutions for assessing the underlying health and wellness concerns of their employees and facilitating appropriate solutions. The Company also caters to major pharmacy retailers.

Carebook is constantly seeking to improve the quality of its platform, expand the services that support its platform, and increase the quantity of providers that rely upon its platform to deliver health and wellness solutions to employees.

Our Vertically Integrated Technology Stack

Carebook offers its customers diversified product offerings, dedicated marketing approaches, and tailored features. The primary product offerings include:

- **The Wellness Checkpoint® Solution** offers employers and their employees the most advanced health assessments, habit trackers, and challenges. From physical and mental health, lifestyle habits, resilience tests, sleep, and more, the advanced health assessments from Wellness Checkpoint® can identify trends and risks within employee cohorts. Employers around the world have realized the need to provide wellness services and mental health supports for their employees. Wellness Checkpoint®'s suite of mental health assessments, including psychological well-being, resilience, financial well-being, and stress@work, offer employers the ability to perform accurate assessments and develop a meaningful understanding of the challenges faced by their employees.

- **The CoreHealth Technologies Inc.** ("**CoreHealth**") solution is an industry leading platform that powers health and wellness programs. CoreHealth offers corporate wellness providers and group benefits providers a robust technology platform-as-a-service to power programs and engage employees with various interventions like coaching, self-directed programs, group challenges, and habit trackers. The platform offers over 30 services in the form of APIs including scheduling, teleconferencing, questionnaires, content feeds, messaging and more. These services are offered by an expanding network of direct health and wellness providers and resellers. The technology is flexible, configurable, and scalable, and easy to integrate.

The combination of Wellness Checkpoint®'s assessment tools and CoreHealth's targeted solutions creates a complete, comprehensive digital health platform.

Carebook also offers large pharmacy retailers an all-in-one customer-facing digital platform (mobile and web apps) that brings together medication management (fill/refill prescriptions), the ability for individuals, families, and caregivers to manage their health information in one spot, health assessments, as well as receive recommendations based on their results to help reduce the risk of chronic diseases, including access to health professional services to support them on their health journey. Individuals also have the ability to purchase products and earn rewards through loyalty program and e-commerce integrations. This single point of access creates a seamless, connected, and consolidated health and wellness experience.

Consolidated Highlights for the Year Ended December 31, 2021

- Revenue for the year ended December 31, 2021 was $5,735 compared to $3,530 for the year ended December 31, 2020, an increase of 62.5% year-over-year, driven by the acquisitions of InfoTech Inc. ("**InfoTech**") completed in Q2 2021 and CoreHealth completed in Q3 2021.
- On April 6, 2021, Carebook completed the acquisition of InfoTech, doing business as Wellness Checkpoint®, a global web-based service used by many Global Fortune 500 companies in over 100 countries that is translated into 26 languages (and counting).
    - InfoTech's proprietary software platform Wellness Checkpoint®, IP and metrics are supported by advanced analytics and focus on employees' physical health, mental health and well-being, and their impact on work and business effectiveness.
    - Representative clients include multinational companies in the aerospace, financial, food processing, technology, pharmaceutical, manufacturing and resources sectors, many of whom have been utilizing the platform for over ten years.
- On August 5, 2021, the Company completed an offering of 11,280,000 units of the Company at a price of $1.00, for aggregate gross proceeds of $11,280. These units comprised 11,280,000 of the Company's common shares and 5,640,000 warrants to purchase the Company's common shares at $1.47 per common share.
- On August 6, 2021, the Company completed its acquisition of all the issued and outstanding securities of CoreHealth, an industry leading company providing a technology platform that serves over two million members around the world, by powering health and wellness programs for major corporations and organizations.
    - Carebook financed the cash portion of its acquisition of CoreHealth using the net proceeds from the closing of the Company's private placement financing for aggregate gross proceeds of $11,280 as described above. For further details on the acquisition of CoreHealth, refer to the Company's material change report dated July 9, 2021, which is available under the Company's profile on SEDAR at www.sedar.com.
- Integration of InfoTech and CoreHealth is substantially complete with additional opportunities for expansion and synergies identified. These integration efforts included restructuring to create new efficiencies, redeploying capital and resources towards growing areas of the business, unifying backend processes and technologies, and ensuring all customers have access to the Company's consolidated comprehensive wellness solutions
- Appointed Michael Peters as Chief Executive Officer. Mr. Peters is a seasoned

executive with over a decade of healthcare experience, and formerly served as Senior Vice President and Chief Business Officer at SE Health, one of Canada's largest diversified home health organizations.

- In November 2021, Carebook implemented significant measures including aligning its cost structure to reflect the Company’s strategic shift towards the employer vertical, the integration of its acquisitions of InfoTech and CoreHealth, and an improved approach to capital discipline. These initiatives resulted in a 34% reduction in the Company’s headcount since the start of the third quarter and may reduce annualized expenses by approximately $5,000.
- In conjunction with these cost reduction measures; the Company implemented a retention package to retain key personnel that included retention bonuses and the issuance of stock options. As part of the retention package, the Board of Directors has approved the issuance of approximately 1.36 million stock options to Company employees.
- On December 22, 2021, Carebook closed a secured loan agreement (each, a "**Loan Agreement**", and collectively the "**Loan Agreements**") with each of SAYKL Investments Ltd. (“**SAYKL**”) and UIL Limited (“**UIL**”), the Company's largest shareholders, for $1,000 in aggregate gross proceeds. SAYKL is an entity controlled by Dr. Sheldon Elman, the Company's Chairman, and Stuart M. Elman, a Director of the Company. UIL, a closed-end investment company jointly managed by ICM Investment Management Limited and ICM Limited, was the lead investor in the $11,280 private placement completed by the Company in August 2021. Interest on the principal amount outstanding under the Loan Agreements is payable quarterly at a rate of CDOR + 10%, and the Loan Agreements have a five-year maturity.
- In November 2021, the Company promoted Mathieu Lampron, its Chief Product Officer, to the additional position of Chief Operating Officer. As a result of his appointment, he is now an executive officer of the Company.
- On November 26, 2021, Alasdair Younie, a representative of UIL, which was the lead investor in the Company’s recent $11,280 Offering, was appointed as a director of the Company.
- In April 2021, Carebook’s core platform underwent penetration testing conducted by an independent firm. The firm found that the platform was safe and there were no critical vulnerabilities identified. Carebook’s subsidiaries are equally as committed to high standards of data privacy and security. InfoTech has undergone SOC 2 audits and operates in accordance with the AICPA Trust Services Principles and Criteria for Security, Availability, Processing Integrity, Confidentiality and Privacy. CoreHealth is ISO 27001 (Information Security Management) certified. Collectively, the group follows strict data privacy and security practices that satisfy PIPEDA, HIPAA, and GDPR requirements.
- For the second year in a row, Carebook was recognized as one of Montreal's Top Employers by Mediacorp Canada Inc., the organizers of the annual Canada's Top 100 employers competition. This special designation recognizes the employers in Greater Montreal that lead their industries in offering exceptional places to work.

- Carebook was once again recognized as one of Canada's Top Small & Medium Employers by Mediacorp Canada Inc. This editorial competition recognizes the small and medium enterprises (SMEs) that offer the nation's best workplaces and forward-thinking human resources policies.

Key Performance Indicators

Carebook monitors the following key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Key performance indicators may be calculated in a different manner than similar key performance indicators used by other companies.

	Years ended December 31,			
		2021		2020
Revenue	$	5,735	$	3,530
Gross Profit	$	5,122	$	3,239
Net Loss from Operations	$	10,325	$	7,472
Customers		100		2
Customers with over $100 in Revenue		6		1

Targeted Growth Strategy

Carebook's growth strategy seeks to capitalize on a rapidly evolving digital healthcare landscape. The Company's strategy focuses on accelerating organic customer expansion by delivering a continuously improving suite of comprehensive employee wellness solutions. These solutions leverage our unique approach to customer engagement, experienced customer service team, existing infrastructure, and solid reputation.

Carebook's acquisitions of InfoTech and CoreHealth establish the Company as a leader in the provision of digital health and wellness with customers across the globe. Carebook is delivering on its stated objective to be the connector to a new model of healthcare. With the integration of these acquisitions substantially completed late in 2021, the Company can now offer a wide range of best-in-class health and wellness assessments and solutions to add depth to its offerings targeting employers and insurers. Both InfoTech's Wellness Checkpoint® platform and CoreHealth's leading wellness technology platform are used by global businesses of significant size, providing considerable market recognition and validation. The combination of these solutions allows Carebook to offer employers not only the means to assess and understand their employees' health challenges, but also to provide specific, targeted, and customized solutions to improve employee health, wellness, and productivity.

The Company complements this organic strategy by seeking out accretive acquisitions and partnerships that improve the accessibility, quality, and functionality of its comprehensive solutions, surrounding ecosystem, and supporting services. Carebook has adopted a disciplined approach towards exploring strategic M&A opportunities in order to grow its reach in other markets and offer new services to its customer base, while maintaining a focus on its organic growth. Carebook has also started the expansion of its partnership catalog of third party solution providers who can be connected through the CoreHealth portals to employers; thus expanding the basis of Carebook's offerings and capturing more value.

Customer, Market & Product Highlights

Employer Vertical

Carebook's acquisitions have positioned the Company to serve the $37 billion[1] global corporate wellness market for employers. To grow the Company's position effectively and efficiently within this market, five main strategies have been identified for the integrated comprehensive solution:

- **Provide increased foothold in the employer vertical** – Carebook's sales team is expanding the sales of the integrated end-to-end solution offered by merging the Wellness Checkpoint® and CoreHealth offerings and engaging in more prospecting and outbound sales activity targeting large and medium sized employers.
- **Show traction for targeted offerings** – Carebook is exploring partnerships where Wellness Checkpoint® and CoreHealth can showcase their integrated offerings and combine them with providers and resellers who offer complete health and wellness solutions for the workplace.
- **Product standardization** – Carebook is reviewing its offerings to increase its ability to offer standard product suites to employers to accelerate their decisions and shorten the current sales cycle for our solutions.
- **Improve user experience and drive sales** – Carebook is reviewing and enhancing global user experience and design homogeneity with the intent of increasing users' engagement, the conversion rate from prospects to clients and the retention rate of the existing client base.
- **Activate and leverage data** – Carebook is putting in place the structure and processes to leverage its significant data sets to support sales efforts and enhance its offerings through critical partnerships and strategic alliances that offer solutions to the employee wellness challenges that are most commonly experienced by large and medium sized employers.

[1] Source: Grand View Research, Corporate Wellness and Market Size, 2021-2028; Research and Markets, Global Corporate Wellness Market Analysis 2018-2019 & Outlook to 2023

Migration to Microsoft Azure: Recently, the Wellness Checkpoint® health risk assessment service moved onto the Microsoft Azure cloud. This migration will provide enhanced product experience, performance, reliability, scalability, and the best of industry data security and privacy. It enables Carebook to reduce some of its productivity and collaboration costs.

<u>Pharmacy Vertical</u>

- ***Pharmacy App Update*:** The Be Well app for Rexall Pharmacy in Canada on iOS, Android and web was launched in May 2020. The launch and subsequent usage of the app has been a success and users have been responding positively to the platform. As at April 2, 2022, App Store ratings (iOS users) were 4.5/5 stars, and Google Store (Android users) were 4.6/5 stars. During the first quarter of 2022, the Be Well program maintained an average Net Promoter Score of 75%.

- **Change in Contract Scope:** Effective October 2021, and in accordance with the terms of their agreement, Carebook's major pharmacy client reduced the scope of work for their ongoing multi-year contract. This reduction resulted in a run rate of approximately $1,600 in revenue per year. As of March 1, 2022, the scope of work and resulting revenue was increased slightly and has the potential to increase further.

- ***Launch of Caregiver Solution:*** In June 2021, the Company announced the launch of its Caregiver Solution as part of its Pharmacy platform. The caregiver feature is integrated into an all-in-one, 360-degree experience that includes medication management, loyalty and rewards integration, health and wellness, communication (push notifications), e-commerce integration, and more. For their people-in-care, caregivers have the ability to fill, refill, and renew prescriptions, log and track health information, view metrics, and encourage adherence.

- ***Medication Adherence Solution:*** With a patient-centered, pharmacist-friendly approach, Carebook is evolving its digital solution to improve medication adherence. Carebook's Medication Adherence Solution targets the most common barriers to adherence including low trust in the efficacy or necessity of the medication, forgetfulness, side effects, and more. The solution offers users the ability to set reminders, to track their i) symptoms, ii) side effects and iii) adherence score, and to share results with their healthcare team. The first phase of our medication adherence solution, the medication reminders module, is ready and is now part of our pharmacy offering (iOS and Android).

- ***Vaccination Tracking:*** Due to the fact that many pharmacies are administering COVID-19 vaccines, it became essential for the patients to track their vaccination records directly from Carebook's Pharmacy Solution. Patients using Carebook's product can now see which vaccine and dose(s) they have received.

Recent Contract Announcements

- **LifeLabs**

On January 10, 2022, Carebook announced that they will be working with LifeLabs, Canada's largest community medical laboratory network, to deliver valuable insights to LifeLabs' MyCareCompass customers through integration with Carebook's CoreHealth digital platform. This multi-year licensing agreement will deliver even greater value to LifeLabs' customers, empowering them to conveniently manage their healthcare through MyCareCompass. The CoreHealth assessment tool is an innovative solution that can integrate with existing digital systems to provide a greater understanding of immediate and long-term health care needs of users. Through integration with LifeLabs' free and secure MyCareCompass portal, over six million users will have access to personalized insights from the CoreHealth solution. These easily accessible insights are critical in supporting better healthcare outcomes for customers.

- **Air Canada**

On April 25, 2022, Carebook announced a contract with Air Canada for the inclusion of the Carebook CoreHealth Platform in its Employee Portals.

Air Canada is using Carebook's CoreHealth total well-being platform to connect their employees to a comprehensive suite of leading health and wellness programs, content and solutions. CoreHealth's platform is easy to use and highly configurable giving Air Canada the ability to deliver specific wellness programming to meet the individual needs of their employees. The CoreHealth solution builds upon the current organizational understandings provided by Carebook's Wellness Checkpoint assessment tool which has been in use with Air Canada since 2017. When coupled together, these two leading solutions offer Air Canada an unparalleled opportunity to curate relevant programming that will help improve the health and wellness of all Air Canada employees. Air Canada will be one of the first world-class employers to benefit from the combined power of Carebook's integrated assessment and wellness solutions, and provides the company with an international showcase for its solutions capability.

- **Contract Awards**

The Air Canada contract caps a record five months for Carebook with regards to new orders received. Carebook has booked $3,500 in new sales ranging from two to five years in length since November 1, 2021. These contracts, from a diverse base of clients located in the U.S. and Canada, provide confirmation of the success of Carebook's strategy and renewed focus on the fast-growing employer vertical.

Subsequent Events

Rights Offering and Stand-by Commitment Agreement

On April 11, 2022, the Company announced an offering of rights (the "**Rights Offering**") to holders of its common shares of record at the close of business on April 19, 2022 (the "**Record Date**"). Pursuant to the Rights Offering, each holder of common shares received one transferable right (a "**Right**") for each common share held. Every 1.5917452 Rights entitles a holder to purchase one (1) common share at a price of $0.15 per common share (the "**Subscription Price**"). The maximum gross proceeds that may be raised by the Company under the Rights Offering is $4,500.

Based on the 47,752,356 common shares outstanding as of the date of this news release, a maximum of 30,000,000 common shares could be issued pursuant to the Rights Offering, representing 62.8% of the currently issued and outstanding common shares. The Rights Offering is being conducted in Canada, and in those jurisdictions where Carebook may lawfully offer the Rights.

The Rights Offering includes an additional subscription privilege under which holders of Rights who fully exercise their basic subscription privilege will be entitled to subscribe pro rata for additional common shares, if available, that were not otherwise subscribed for in the Rights Offering.

Full details of the Rights Offering, including information regarding the distributions of the Rights and the procedures to be followed, are included in the Rights Offering circular, which was, together with the Rights Offering notice, filed under Carebook's profile on SEDAR at www.sedar.com.

Stand-by Commitment Agreement

In connection with the Rights Offering, the Company has entered into a stand-by commitment agreement dated April 11, 2022 (the "**Stand-by Commitment Agreement**") with UIL (the "**Stand-by Guarantor**"), a current significant shareholder of the Company, whereby UIL has agreed to purchase such number of common shares that are available but not otherwise subscribed for under the Rights Offering guaranteeing the Company to receive aggregate gross proceeds of at least $4,500 thereunder. Further, pursuant to the Stand-by Commitment Agreement, UIL is entitled to receive warrants entitling it to purchase a number of common shares equal to 1.5% of the common shares purchased by it the Stand-by Commitment Agreement less those common shares to which it is entitled under its basic subscription privilege and those it subscribes for under its additional subscription privilege. Further details of the Stand-by Commitment Agreement are contained in the Rights Offering circular.

As at the date hereof, UIL owns, exercises control or has direction over, directly or indirectly, 14,220,200 common shares, representing approximately 29.8% of the currently issued and outstanding common shares.

In addition, SAYKL, a company controlled by Dr. Sheldon Elman, Chairman of the Company and Stuart M. Elman, director of the Company, and which owns, controls or has direction over, jointly with its affiliates, 17,366,330 issued and outstanding common shares, or one of its affiliates, intends to exercise its Rights to purchase up to approximately $1,000 worth of common shares under the Rights Offering, representing 6,666,666 common shares.

If no Rights are exercised under the Rights Offering, other than those exercised by the Stand-by Guarantor pursuant to the Stand-by Commitment Agreement, and assuming SAYKL or an affiliate thereof subscribed for approximately $1,000 worth of Common Shares, representing 6,666,666 common shares, each of UIL and SAYKL would beneficially hold, control or direct, directly or indirectly, 37,553,533 and 24,032,996 Common Shares, respectively, representing 48.3% and 30.9% of the then issued and outstanding Common Shares.

Each of UIL and SAYKL is a "related party" of the Company under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") because it exercises control and direction over more than 10% of the issued and outstanding Common Shares. The Rights Offering is not subject to the related party transaction rules under MI 61-101 based on a prescribed exception related to rights offerings.

The Company intends to use the net proceeds of the Rights Offering to repay indebtedness, for working capital and other general corporate purposes.

For more information on the Rights Offering, please refer to the Rights Offering Circular posted on SEDAR on April 11, 2022.

Financing & Corporate Development

- ***US Subsidiary:*** In March 2021, the Company incorporated a wholly-owned subsidiary, Carebook Technologies (US), Inc., under the jurisdiction of the state of Delaware. This subsidiary currently holds no assets and has no active operations, but will serve as a way for Carebook to establish a U.S. employee base and expand its brand reach.

- **The Debt Financing:** On April 6, 2021, Carebook secured the following credit facilities from a leading Canadian Schedule 1 bank and one of its affiliates (collectively, the "**Lenders**" and such transaction, the "**Financing**")**:**
    - $7,000 revolving term facility (the "**Revolving Facility**"); and
    - $4,000 non-revolving term loan facility (the "**Term Loan Facility**", and together with the Revolving Facility, the "**Credit Facilities**").

- As of December 31, 2021, under the conditions of the agreement governing the Credit Facilities (the "**Credit Agreement**"), the Revolving Facility was available for a one year committed term, renewable annually, and bore interest at CDOR plus a variable margin for Canadian variable rate loans. The initial margin was 8.0%. As of August 6, 2021, the Revolving Facility was subject to a borrowing base equal to six times the monthly recurring revenues of Carebook and its subsidiaries, minus all amounts which could give rise to a claim which ranks or is capable of ranking in priority to the Lenders' security or otherwise in priority to any claim by the Lenders for repayment of any amounts owing under the Credit Agreement.

- The Term Loan Facility had an initial maturity date of April 6, 2022 and bore interest at CDOR plus a margin of 4.5% for Canadian variable rate loans and was drawn to complete the acquisition of InfoTech. Borrowings under the Credit Facilities may be in either Canadian dollars or U.S. dollars at Carebook's election. Interest on the Credit Facilities is payable monthly in arrears.
- The Credit Facilities are secured by a first-ranking security interest in all of the present and future property and assets of the Company and certain of its subsidiaries.
- On May 6, 2021, in connection with the Financing, Carebook issued the Lender of the Revolving Facility 417,646 warrants to purchase common shares of the Company at an exercise price of $1.22. The warrants expired on April 6, 2022.
- In addition to financing the acquisitions of InfoTech and CoreHealth, Carebook used the proceeds of the Credit Facilities to finance Carebook's working capital needs and for general corporate purposes of the Company.
- Pursuant to the terms of the Credit Agreement, Carebook had undertaken to complete, initially within 120 days following the closing date of the Financing, an offering of securities of the Company in an aggregate amount of up to $11,000 in equity, or a lesser amount dependent on certain events, which offering was completed on August 5, 2021. Please refer to the "$11,280 Equity Offering" section below for additional information.
- The Credit Agreement was amended on August 4, 2021. The majority of the amendments were administrative in nature and included the following changes. First, the Credit Agreement was updated to reflect that the Company would be acquiring CoreHealth. Second, the required amount of equity to raise under the Offering, to finance said acquisition and repay certain indebtedness, increased from up to $11,000 to $11,280, and the timeframe in which to raise said equity was changed from 120 to 122 days following the signature of the Credit Agreement. Finally, the applicable margin on the Revolving Facility remained at 8.00% and will decrease to 3.25% conditional upon the successful completion of a surplus equity injection of $2,720.
- On April 7, 2022, the Company entered into an amendment to Credit Facilities. Under the amendment, the Lenders have agreed to provide the Company with (i) a $3,000 demand revolving facility and (ii) a $4,000 non-revolving term loan facility, subject to mandatory repayment as described below. Moreover, the maturity date of Term Loan Facility has been extended to November 30, 2022, provided that the Company must make a mandatory prepayment of $1,000 on the Term Loan Facility no later than May 31, 2022, after which the outstanding amount under the Term Loan Facility will be $3,000. As at the date hereof, the Credit Facilities have been fully drawn and

the Company may not borrow any other borrowings under the Term Loan Facility. The applicable margin on each of the Credit Facilities has also been increased to 9.0%, effective as of April 7, 2022.

- **$11,280 Equity Offering:** On August 5, 2021, the Company completed an offering of 11,280,000 units of the Company (each, a "**Unit**") at a price of $1.00, for aggregate gross proceeds of $11,280 (the "**Offering**"). These Units comprised 11,280,000 common shares of the Company and 5,640,000 warrants to purchase common shares of the Company. Each whole warrant entitles the holder thereof to acquire a common share of the Company at an exercise price of $1.47 per common share of the Company for a period of 24 months from issuance.

  The lead investor in the Offering is UIL, a closed-end investment company jointly managed by ICM Investment Management Limited and ICM Limited, which became a "Control Person" of the Company, as such term is defined in the policies of the TSX Venture Exchange ("**TSX-V**"). In compliance with TSX-V Policy 4.1 – Private Placements, holders of more than 50% of the issued and outstanding common shares of the Company have consented in writing to UIL becoming a "Control Person" of the Company. Certain officers (collectively, the "**Insiders**") of Carebook also subscribed in the Offering for an aggregate of 60,000 Units. As related parties of the Company participated in the Offering, their subscriptions were deemed to be a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relied on an exemption from the formal valuation and minority shareholder approval requirements set out in MI 61-101, as the fair market value of the Insider's participation in the Offering does not exceed 25% of the Company's market capitalization calculated in accordance with MI 61- 101.

  In connection with the Offering, the agents who brokered the Offering received, as compensation: (i) cash compensation of $674; and (ii) 673,800 broker warrants (the "**Broker Warrants**"), with each Broker Warrant entitling the holder thereof to acquire a common share of the Company at $1.00 for a period of 24 months from issuance. The Company also paid iA Private Wealth Inc. a corporate finance work fee of $50, plus applicable taxes.

  The securities issued had a hold period of four months and one day from the closing date of the Offering.

  The Company used the net proceeds of the private placement to complete the acquisition of CoreHealth and partially repay the Revolving Facility, and the balance is being used for working capital and general corporate purposes.

  For further information about the Offering, refer to the Company's press releases dated June 29, 2021, July 21 and August 5, 2021 as well as the Company's material change report dated July 9, 2021, all of which are available under the Company's profile on SEDAR at www.sedar.com.

- **Stock Option Plan Amendment and Continuance:** On May 18, 2021, the board of directors of the Company approved an amendment to the Stock Option Plan of the Company (the "**Stock Option Plan Amendment**") to increase the maximum number of common shares of the Company that may be issued pursuant to the exercise of options under the Stock Option Plan from 5,500,000 to 6,237,779. At the Meeting, a majority of disinterested shareholders present in person or represented by proxy at the Meeting approved the Stock Option Plan Amendment, which was also approved by the TSX-V and is now effective.

  At the Meeting, shareholders also authorized the Continuance. The Company applied for a Certificate of Continuance and filed Articles of Continuance on September 15, 2021, and the Continuance therefore became effective as of September 15, 2021.

  Refer to the Company's Circular dated May 18, 2021 and filed under the Company's profile on SEDAR on May 31, 2021 for further details on the Stock Option Plan Amendment and the Continuance.

COVID-19

While the Company cannot predict the effect and ongoing spread of COVID-19, management does not expect the pandemic will impair the Company's ability to meet financial and other reporting disclosure requirements on a timely basis. The pandemic has created different impacts on each section of the Company's business:

- Within the employer vertical, restrictions on travel have led to delays within the Company's typical sales process. However, the stress caused by the pandemic has increased employers' recognition of the importance of mental health, which has in turn led to increased interest in the Company's offerings.
- Within the pharmacy vertical, the pandemic led to some disruption to the Company's business development and global expansion initiatives, partially restricting the sales process, which resulted in fewer than expected sales in 2021.

In general, COVID-19 has accelerated the adoption of technology across both the global and Canadian healthcare systems, which the Company expects will increase demand for digital healthcare solutions.

OUTLOOK

The digital health market is being driven by a comprehensive transformation in how patient care is being delivered and accelerated, in part, by the global COVID-19 pandemic, and an evolution in the application of digital solutions to a broader set of customers and industries.

While Carebook's origins lie within the pharmacy vertical, the company believes the employer and insurance markets provide the greatest opportunity for growth. Carebook plans to pursue and capture additional share of these markets through customer acquisition and product improvement. Carebook continues to leverage its medical and engagement expertise across a core technology platform to address these opportunities.

From a foundation of health expertise and a core, "people-first" philosophy, Carebook offers turnkey, modular, connected systems that can be white-labeled to increase revenue, engagement, and health outcomes. Following the acquisitions and successful integrations of InfoTech and CoreHealth, Carebook has created a comprehensive health and wellness solution for employers and their employees, as well as a complementary supporting ecosystem of services. Carebook can now provide **both** the assessment and reporting of employee health and wellness challenges as well as curate a specific and targeted set of solutions that are uniquely configured for each employer to help improve the health and wellbeing of its employees.

The Company's approach for the pharmacy vertical has been to develop a tailored digital platform which can then be rebranded and offered to multiple clients on a global basis. The pharmacy solutions offer prescription fill and refill capabilities alongside loyalty and customer management software. As pharmacists have been asked to provide more frontline healthcare services, Carebook can offer pharmacists more tools to enable a deeper understanding of the health concerns faced by their clients as well as an expanding set of health modules and partnerships to truly enable pharmacists to build lasting connections and value to their end customers.

Carebook continues to consider acquisitions that provide an opportunity to enhance its offerings and the development of their surrounding ecosystem. However, the Company does not anticipate maintaining the pace of acquisition demonstrated in 2021.

FINANCIAL PERFORMANCE ANALYSIS

The financial information presented in the tables below has been derived from the Company's Financial Statements and their accompanying notes, prepared in accordance with International Financial Reporting Standards ("**IFRS**") for the years ended December 31, 2021 and 2020. All figures are presented in $000s CAD unless otherwise specified.

Select Annual Information

	For the years ended December 31,		
	2021	2020	2019
Revenue	$ 5,735	$ 3,530	$ 4,286
Net comprehensive loss	$ (19,289)	$ (10,893)	$ (3,114)
Basic and diluted loss per share (in $)	$ (0.50)	$ (0.45)	$ (0.15)
Total assets	$ 25,593	$ 9,192	$ 5,323
Total non-current liabilities	$ 5,724	$ 675	$ 4,237

Summary of Quarterly Results

The table below presents revenue, net loss, and net loss per share for the last eight quarters:

	Revenue ($000s CAD)	Net Loss ($000s CAD)	Basic and diluted loss per share (in $)
December 31, 2021	$ 1,934	$ (11,685)	$ (0.24)
September 30, 2021	$ 1,799	$ (3,299)	$ (0.07)
June 30, 2021	$ 1,139	$ (2,425)	$ (0.07)
March 31, 2021	$ 863	$ (1,880)	$ (0.06)
December 31, 2020	$ 844	$ (5,533)	$ (0.18)
September 30, 2020	$ 865	$ (1,632)	$ (0.07)
June 30, 2020	$ 857	$ (2,910)	$ (0.23)
March 31, 2020	$ 965	$ (818)	$ (0.07)

Revenue

Prior to the acquisitions of InfoTech and CoreHealth, the Company's revenue was nearly entirely generated from its multi-year agreement with its key customer. Carebook's statement of work with its key customer is updated annually in March. In the second quarter of 2020, revenue decreased because of a planned change in the minimum revenue commitment beginning in March 2020, as the scope of development work decreased ahead of the product launch that occurred in May 2020. Despite a subsequent contractual decrease in revenue commitment of this customer in March 2021 and in October 2021, Carebook has seen an incremental increase in revenue during the second, third, and fourth quarters of 2021 due to its acquisitions of InfoTech and CoreHealth.

Revenue generated by InfoTech was $318, $542, and $742, in the second, third and fourth quarters of 2021, respectively. CoreHealth added $399 of revenue during the third quarter of 2021 and $972 in the fourth quarter of 2021.

Recurring revenue generated by these acquisitions is expected to increase incrementally for the first four full quarters following the respective acquisitions due to a change in revenue recognition following their adoption of IFRS 15 on the acquisition date.

Net Loss

The Company is a start-up that continues to invest in its growth through research and development projects, and strategic M&A. The increase in net loss each quarter is attributed to key hires and their related expenses, and costs associated with M&A and related financing of said acquisitions.

The Company recognized stock option expenses in the second quarter of 2020, as the RTO became probable, which triggered the accelerated vesting of employee stock options and a requirement for the employee stock options to be immediately exercised upon completion of the RTO or terminated. However, at the time of the RTO, the life of these fully-vested stock options were extended to their original expiry dates. This non-recurring stock-based compensation expense resulted in a significant increase in the Company's net loss for that period.

During the third quarter of 2020, the Company incurred significant expenses in connection with the RTO. These expenditures were partially offset by the gain on the embedded derivative recorded in the third quarter of 2020. Prior to the closing of the RTO, the convertible debt holder signed a waiver of conversion and consent to prepayment whereby the convertible debt holder agreed to be repaid the principal and accrued interest in cash and forgo its equity conversion option upon completion of the RTO. This resulted in the acceleration of the depreciation of the debt to its face value and a reversal of the embedded derivative gain to nil.

In the fourth quarter of 2020, the Company issued stock options to its directors and employees of the Company, which were partially expensed during the quarter. In addition, in connection with the RTO, the Company incurred $1,457 in professional fees and other transaction costs, which led to an increase in non-recurring expenses in the latter half of 2020. The Company also recognized a $2,523 reverse acquisition expense in the fourth quarter of 2020.

In the first quarter of 2021, the Company recorded $234 of stock option expenses related to the options granted in the fourth quarter of 2020. There were also transaction and M&A costs related to the acquisition of InfoTech and other potential acquisitions, and the Financing, totaling $111 and $71 respectively, which increased the non-recurring expenses during the quarter.

In the second and third quarters of 2021, the Company's net loss increased due to non-routine expenses related to the acquisitions of InfoTech and CoreHealth, financing costs associated with the Credit Facilities and the Offering, and non-cash items such as the grant of stock options to directors, officers, and employees of the Company. In addition, the net loss was driven by Carebook recognizing InfoTech and CoreHealth's full operating costs during the period, but only being able to recognize a portion of the revenue that would have been recognized under IFRS 15 but was already recognized under Accounting Standards for Private Enterprises prior to the acquisitions.

In addition, during the third quarter of 2021, the Company incurred a warrant expense of $569. This was driven by a two-year extension of the life of the Principal Replacement Warrants. For more information, refer to Notes 15 and 19 of the Financial Statements.

In 2021, the net loss increased mainly due to the recognition of $7,170 in goodwill impairment for the acquisition of the legacy Carebook platform in 2016 and the acquisition of InfoTech's Health Risk Assessment business, as disclosed in Note 11 of the Company's audited annual financial statements. Additionally, the increase in operating expenses (mainly labour) associated with the acquisitions of InfoTech (second quarter) and CoreHealth (third quarter) contributed for the increase in net loss.

DISCUSSION OF OPERATIONS

Statements of Comprehensive Loss

For the years ended December 31, 2021 and 2020:

	Years ended December 31,						
		2021		2020		$ Change	% Change
REVENUE	$	5,735	$	3,530	$	2,205	62.5%
Cost of revenue	$	613	$	291	$	322	110.7%
Gross profit	**$**	**5,122**	**$**	**3,239**	**$**	**1,883**	**58.1%**
EXPENSES							
Sales and marketing	$	2,023	$	1,937	$	86	4.4%
Research and development	$	7,560	$	4,853	$	2,707	55.8%
General and administrative	$	5,864	$	3,921	$	1,943	49.6%
Loss from operations	**$**	**(10,325)**	**$**	**(7,472)**	**$**	**(2,853)**	**38.2%**
Loss (gain) on embedded derivatives	$	-	$	(1,110)	$	1,110	N/A
Transaction costs	$	340	$	1,457	$	(1,117)	-76.7%
Reverse acquisition costs	$	-	$	2,523	$	(2,523)	-100.0%
M&A costs	$	551	$	102	$	449	440.2%
Finance costs	$	733	$	449	$	284	63.3%
Change in fair value of warrants	$	569	$	-	$	569	N/A
Impairment	$	7,170	$	-	$	7,170	N/A
Net loss before taxes	**$**	**(19,688)**	**$**	**(10,893)**	**$**	**(8,795)**	**80.7%**
Income tax expense (gain)	$	(399)	$	-	$	(399)	N/A
Net loss	**$**	**(19,289)**	**$**	**(10,893)**	**$**	**(8,396)**	**77.1%**
Total comprehensive loss	**$**	**(19,289)**	**$**	**(10,893)**	**$**	**(8,396)**	**77.1%**

Revenue analysis

Revenue for the year ended December 31, 2021 was $5,735, compared to $3,530 for the year ended December 31, 2020, an increase of $2,205 or 62.5% which is driven by the acquisitions of InfoTech and CoreHealth.

Revenue generated in 2020 was entirely from the pharmacy vertical, whereas revenue generated in 2021 was 52% pharmacy and 48% employer. Revenue generated from the employer vertical is expected to surpass that of the pharmacy vertical in 2022.

Further, recurring revenue from the employer vertical is expected to increase incrementally during the next several quarters due to the adoption of IFRS 15 post-acquisition by InfoTech and CoreHealth.

The Company's minimum performance commitments to its customers remain through 2023. The Company expects to recognize a minimum revenue of approximately $5,000, and $400 in years ending December 31, 2022, and 2023, respectively, for partial and fully unsatisfied performance obligations under its fixed fee arrangements and other contracts.

Total comprehensive loss analysis

Total comprehensive loss was $19,289 for the year ended December 31, 2021, compared to a loss of $10,893 for the year ended December 31, 2020, an increase of $8,396.

The loss from operations increased by 38% year over year from $7,472 in 2020 to $10,325 in 2021. While the acquisitions generated additional operating expenses due to the increase in headcount and offices, these costs were partially offset by the increase in revenue generated from the same acquisitions.

Expenses generated from non-routine transactions increased significantly during 2021. In 2020, the Company incurred $4,531 expenses related to the RTO and private placement, which were partially offset by the $1,110 gain on embedded derivatives recognized in the third quarter of 2020. In 2021, the Company incurred $1,624 in expenses related to the two acquisitions and various financings undertaken during the year, and $569 for the extension of life of the Principal Replacement Warrants. Additionally, the Company recognized impairment totaling $7,170 during the fourth quarter. This drove the majority of the increase in net comprehensive loss for the year ended December 31, 2021.

Cost of revenue

The cost of revenue for the year ended December 31, 2021 was $613 compared to $291 in the same period of 2020. The increase of $322 of 110.7% is attributed to the expenses incurred to support clients in the employer vertical.

Expense analysis

Total operating expenses for the year ended December 31, 2021 were $15,447 compared to $10,711 during the year ended December 31, 2020 for an increase of $4,736. The increase in operating expenses was attributed to the additional headcount from the acquisitions and the increase in professional fees related to being a publicly traded company. Variances in operating expenses will be further broken down by function, below.

Sales & marketing expenses

The Company made considerable investments in sales and marketing, including hiring two new sales executives in the fourth quarter of 2020, establishing a presence in international markets through digital advertising, and revamping its website and sales assets. In 2021, the Company expanded its sales and marketing team through the acquisitions and its subsequent entry into the employer vertical. In addition, a portion of the earnout and deferred purchase price of CoreHealth is contingent upon the continued employment of the sellers of CoreHealth to Carebook, who are a part of the sales & marketing department and is treated under IFRS 2 as post-acquisition remuneration. These expenses were partially offset by a stock option recovery of $517 during the year, rather than a stock option expense of $615 in the prior year. As a result, sales and marketing expenditures increased by $86 from $1,937 in 2020 to $2,023 in 2021.

Research & development expenses

Research and development expenses increased by $2,707 from $4,853 in 2020 to $7,560 in 2021. This increase can be partially explained by the increase in the research and development department headcount through the acquisitions, as the overall labour expenditures increased by $1,581 or 46.3%. The increase in research and development labour expenses was partially offset by savings recognized in the fourth quarter of 2021 due to the reduction in headcount as part of the Company's restructuring and cost-savings, the capitalization of certain development costs in 2021 within the acquired companies and wage subsidies that were received across the research and development team. Stock option expenses for research and development employees were higher in 2020 relative to 2021 by $502 primarily due to stock option grants in connection with the RTO.

Depreciation increased by $1,127 and was driven by the amortization of intangible assets related to intangible assets acquired such as trademarks, capitalized development, and technology.

Research and development costs increased by $502 in 2021 compared to 2020. These costs are primarily for hosting and software licenses used across the businesses' research and development departments and have increased due to the headcount increase from the acquisitions.

General & administrative expenses

General and administrative expenses for 2021 were $5,864 compared to $3,921 in 2020. The main drivers of the $1,943 increase were increased labour and employee benefit costs associated with additional headcount from acquisitions, as well as severance and other termination expenses related to certain executives that left the company during 2021. Additionally, professional fees expenses were higher when compared to 2020, as the company incurred considerably more professional fees since becoming a public company in October 2020 related to audit and general securities laws compliance. In addition, the Company incurred recruitment fees for the change in CEO. Stock option expenses for general and administrative employees were higher in 2020 relative to 2021 by $331 primarily due to stock option grants in connection with the RTO.

Other expenses

In 2021, transaction costs totaled $340, M&A costs totaled $551, and finance costs totaled $733. In 2020, transaction costs totaled $1,457, reverse acquisition costs totaled $2,523, M&A costs totaled $102, and finance costs totaled $449.

These non-routine expenses incurred during 2021 relate to the Credit Facilities, the Financing, the Offering, and the acquisitions of InfoTech and CoreHealth. In 2020, these expenses were incurred primarily in relation to the RTO and Private Placement.

Refer to Notes 14 and 16 of the Financial Statements for more information on the Company's borrowings and financial instruments.

In July 2021, the Company agreed to extend for an additional two-year period the expiry date of 2,156,265 Replacement Principal Warrants expiring July 29, 2021 owned by MedTech Investment L.P., an entity controlled by Dr. Sheldon Elman (Chairman of the Board of Directors of the Company) and Stuart M. Elman (a director of the Company). These Replacement Principal Warrants will therefore expire on July 29, 2023. All other terms and conditions of these Replacement Principal Warrants remain unchanged, including the exercise price of $1.2429 per common share of the Company. This resulted in a change in fair value of $569 during the third quarter of 2021.

During the fourth quarter of 2021, the Company carried out a review of the recoverable amount of the goodwill associated with each of its cash-generating units ("**CGU**") as required by IFRS. The Pharmacy and Health Risk Assessment ("**HRA**") businesses faced challenges during 2021 because of the COVID-19 pandemic, which led to some disruption to the Company's business development and global expansion initiatives directly related to that business, partially restricting the sales process, which resulted in fewer than expected sales in 2021. The company estimates that this disruption will continue at least for the next fiscal year with respect to the Pharmacy business. Additionally, the healthcare software sector has experienced a decline in valuations since the time that the HRA business was acquired.

As a result, the estimated recoverable amounts of the Pharmacy and HRA CGUs are less than the carrying amount of tangible and intangible assets allocated to those same CGUs. Therefore, an impairment loss associated with the goodwill of the Pharmacy CGU ($4,370) was recognized during the fourth quarter of 2021. As for the HRA CGU, an impairment loss of $2,800 was recognized.

PRO-FORMA IMPACT OF BUSINESS COMBINATIONS WITH INFOTECH AND COREHEALTH:

The Company completed the acquisition of InfoTech on April 6, 2021 and the acquisition of CoreHealth on August 6, 2021. Had Carebook completed the acquisitions of InfoTech and CoreHealth on January 1, 2021, the Company's consolidated revenues and net loss for the year ended December 31, 2021 would have been as follows:

	December 31, 2021
Revenue	8,616
Net Loss	(19,661)

The Company considers the pro forma figures to be an approximate measurement of the financial performance of the combined business for the year. However, pro forma information does not account for synergies or historical transactions and is not necessarily indicative of the (loss) profit that the Company would have realized if the acquisition had occurred on January 1, 2021, nor of the (loss) profit that may be achieved in the future.

To determine the Company's pro forma consolidated revenues and (loss) profit if InfoTech and CoreHealth had been acquired on January 1, 2021, the Company calculated the revenues according to the fair value of contract liabilities at the acquisition date.

Refer to Note 3 of the Financial Statements for more information on the acquisitions of InfoTech and CoreHealth.

LIQUIDITY AND CAPITAL RESOURCES

The Company made considerable investments in M&A during the second and third quarters of 2021, by acquiring InfoTech and CoreHealth, which were financed through debt and equity financing by way of the Credit Facilities and the Offering. This resulted in an overall cash use of $2,173 during the year ended December 31, 2021.

Cash Flow Analysis

Cash flow for the years ended December 31, 2021 and 2020:

	Year ended December 31,			
		2021		2020
Cash flows generated from (used for):				
Operating activities	$	(7,262)	$	(5,346)
Investing activities	$	(12,216)	$	(56)
Financing activities	$	17,305	$	8,913
Net increase (decrease) in cash and cash equivalents	$	(2,173)	$	3,511
Cash and cash equivalents - beginning of period	$	3,628	$	117
Cash and cash equivalents - end of period	**$**	**1,455**	**$**	**3,628**

Operating activities

Net cash used during the year ended December 31, 2021 for operating activities was $7,262 compared to $5,346 in 2020. The increased usage is driven by changes in non-working capital items during the period due to the acquisitions of InfoTech and CoreHealth, and the combined operations of the three entities.

The Company expects that use of cash from operations will decrease over the coming periods due to the combined operational synergies of the Company after the acquisitions and cost reduction strategies implemented during the fourth quarter of 2021.

Investing activities

Net cash used for investing activities for the year 2021 was $12,216, compared to $56 in the corresponding period of 2020, an increase of $12,160, due the Company's investments in InfoTech ($7,899) and CoreHealth ($4,143).

Financing activities

Cash generated from financing activities totaled $17,305 during the year ended December 31, 2021, compared to $8,913 in 2020. The cash generated in 2021 is from the Offering ($10,429, net of share issuance costs), the Credit Facilities ($7,000) and the Loan Agreements ($1,000).

Contractual Obligations

In the normal course of business, the Company has various contractual obligations. The following table provides a summary of Carebook's future contractual commitments specifically related to the lease arrangements associated with its office space:

	Payments due by period as at December 31, 2021		
	Less than 1 year	1-5 years	After 5 years
Contractual obligations	$ 181	$ 653	$ 212

Capital Resources

	Years Ended December 31,			
	2021	2020	$ Change	% Change
Shareholders' equity	$ 6,413	$ 6,840	$ (427)	-6.2%
Total debt	$ 8,000	$ -	$ 8,000	N/A

Carebook's capital resources as at December 31, 2021 consisted of shareholders' equity and debt financing, while it consisted entirely of shareholders' equity as at December 31, 2020. The Company had repaid all of its indebtedness during the fourth quarter of 2020 but entered into the Credit Agreement of up to $11,000 in April 2021 in order to finance the acquisition of InfoTech, and completed an Offering of $11,280 ($10,429 net of share issuance expenses) in August 2021 in order to partially repay the Revolving Facility, finance the cash portion of the acquisition of CoreHealth, and the balance is being used for working capital needs and general corporate purposes of the Company.

On December 22, 2021, the Company entered into the Loan Agreements with investors, SAYKL and UIL, for a total of $1,000 in aggregate gross proceeds. The intended uses of these funds are working capital and general corporate purposes. Interest on the principal amount outstanding under the Loan Agreements is payable monthly at a rate of CDOR + 10%, and the Loan Agreements have a five-year maturity. The obligations of the Company under the Loan Agreements are subordinated to the Company's obligations under the existing Credit Facilities. To secure the Company's obligations under the Loan Agreements, the Company has agreed to grant to each of SAYKL and UIL a security interest and hypothec in all of the property and undertaking of the Company, subordinated to the security interests granted by the Company to its Lenders.

Each of SAYKL and UIL is a "related party" of the Company within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As a result, the Loan Agreements are considered a "related party transaction" as such term is defined by MI 61-101, requiring the Company, in the absence of exemptions, to obtain minority shareholder approval of the "related party transaction". The Company relied on an exemption from the minority shareholder approval requirement set out in MI 61-101 as the fair market value of the transaction does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company filed a material change report on SEDAR on December 31, 2021, outlining the implications of the Loan Agreement.

Refer to Notes 14, 15 and 23 of the Financial Statements for more information.

Sources of funding

Prior to the RTO, which was completed on October 1, 2020, the Company had financed its development operations and met its capital requirements primarily through revenue from customers, debt financing and equity investments.

The details of cash balances, and debt and equity financing for the years ended December 31, 2021 and 2020 were as follows:

	As at December 31,	
	2021	2020
Cash		
Cash and cash equivalents	$ 1,455	$ 3,628
Other sources of funding:	2021	2020
Debt financing	$ 8,000	$ (5,850)
Equity investments	$ 11,133	$ 22,052
Total other sources	$ 19,133	$ 16,202

As at December 31, 2021, the Company's outstanding debt was $8,000; $4,000 from the Term Loan Facility, $3,000 from the Revolving Facility, and $1,000 from the Loan Agreements.

Capital expenditures

Currently, capital expenditures are financed through cash generated from financing. Carebook expects that capital expenditures related to the development of its technology and service offerings and recruitment of personnel will be ongoing over the next 12 months, as the Company has acquired InfoTech and CoreHealth, and continues to invest in the ongoing development and enhancements to its digital platform.

Debt financing

Carebook obtained $11,000 in debt financing in April 2021. In April 2021, the Company drew $4,000 from the Term Loan Facility and $5,000 from the Revolving Facility to finance the cash consideration portion of the acquisition of InfoTech, related M&A and transactions costs, and for general corporate and working capital purposes.

The intended use of the proceeds and their actual use are as follows:

		Intended		Actual		$ Variance	% Variance
InfoTech acquisition	$	8,000	$	7,899	$	(101)	-1.3%
M&A and transaction costs	$	500	$	521	$	21	4.2%
Working capital and general corporate purposes	$	500	$	580	$	80	16.0%
	$	**9,000**	**$**	**9,000**			

The variance in actual proceeds used for the InfoTech acquisition is related to certain adjustments related to net working capital. The funds were reallocated to working capital and general corporate purposes.

In June 2021, the Company drew an additional $1,000 from the Revolving Facility and drew an additional $1,000 prior to the Offering. Following the completion of the Offering, the Company paid down the Revolving Facility to $3,000 such that total indebtedness as at December 31, 2021 was $7,000.

Pursuant to the terms of the Credit Agreement, Carebook had undertaken to complete, within 120 days following the closing date of the Financing, an offering of securities of the Company in an aggregate amount of up to $11,000 in equity, or a lesser amount dependent on certain events. Following the amendment to the Credit Agreement extending the deadline from 120 to 122 days, the Company completed the Offering of $11,280, which closed on August 5, 2021.

The Company financed its acquisition of CoreHealth using a portion of the net proceeds from the closing of the Offering, with the balance intended to be used to partially repay indebtedness, and for working capital and general corporate purposes.

The intended use of the proceeds and their actual use are as follows:

Intended us of funds: Offering							
		Intended		Actual		$ Variance	% Variance
CoreHealth acquisition	$	4,850	$	4,847	$	(3)	-0.1%
M&A and transaction costs	$	1,300	$	1,171	$	(129)	-9.9%
Repayment of indebtedness	$	4,000	$	4,000	$	-	N/A
Working capital and general corporate purposes	$	1,130	$	1,262	$	132	11.7%
	$	11,280	$	11,280			

The variance in actual proceeds used for M&A and transaction costs in relation to the Offering are related to investment banking fees being lower than expected, thereby reducing the total expenses. The funds were reallocated to working capital and general corporate purposes.

In December 2021, the Company entered into the $1,000 Loan Agreements with SAYKL and UIL. The intended and actual use of these funds is for working capital and general corporate purposes.

The Company has since renewed the Credit Facilities and expects that it will need to secure additional equity or debt financing to meet its planned growth, to fund development activities and meet all its working capital requirements and planned capital expenditures for the next twelve months.

On April 6, 2022, the company entered into an agreement with the Lenders to amend its Credit Facilities. Under the amendment, the Revolving Facility became a $3,000 demand revolving facility and the Term Loan Facility became a $4,000 non-revolving term loan facility, subject to mandatory repayment as described below. Moreover, the maturity date of Term Loan Facility has been extended to November 30, 2022, provided that the Company must make a mandatory prepayment of $1,000 on the Term Loan Facility no later than May 31, 2022, after which the outstanding amount under the Term Loan Facility will be $3,000. As at the date hereof, the Credit Facilities have been fully drawn and the Company may not borrow any other borrowings under the Term Loan Facility. The applicable margin on each of the Credit Facilities has also been increased to 9.0%, effective as of April 7, 2022.

On April 11, 2022, the Company announced a Rights Offering to holders of its common shares of record at the close of business on April 19, 2022. Pursuant to the Rights Offering, each holder of common shares received a Right for each common share held. Every 1.5917452 Rights entitles a holder to purchase one (1) common share at a price of $0.15 per common share. The maximum gross proceeds that may be raised by the Company under the Rights Offering is $4,500.

STATEMENTS OF FINANCIAL POSITION

Working Capital

	As At December 31,					
		2021		2020		$ Change	% Change
Current assets	$	3,256	$	3,984	$	(728)	-18.3%
Current liabilities	$	13,456	$	1,677	$	11,779	702.4%
Total working capital (deficit)	**$**	**(10,200)**	**$**	**2,307**	**$**	**(12,507)**	**N/A**

As at December 31 2021, the Company had a working capital deficit of $10,200, compared to a working capital of $2,307 as at December 31, 2020. The reduction in working capital of $12,507 is driven by the $8,000 outstanding on the Credit Facilities and Loan Agreements, accrued liabilities related to the acquisitions of InfoTech and

CoreHealth for the current portion of the holdbacks and the deferred purchase price for CoreHealth, and an increase in contract liabilities.

The Company does not expect its working capital position to improve in the short-term as the Company will need to secure additional equity or debt financing to settle acquisition related liabilities, fund its operations, and begin reimbursing the Credit Facilities.

Outstanding Share Data

The authorized share capital of Carebook consisted of an unlimited number of common shares and an unlimited number of preferred shares. As at December 31, 2021, the following securities of Carebook were issued and outstanding:

(1) 47,752,356 common shares;
(2) 5,790,188 options to purchase common shares; and
(3) 14,173,660 warrants to purchase common shares.

As at the date hereof, the following securities of the Company are issued and outstanding:

(1) 47,752,356 common shares;
(2) 5,657,660 options to purchase common shares; and
(3) 13,756,014 warrants to purchase common shares.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

RELATED PARTY TRANSACTIONS

The Company discloses information on its related party transactions, as defined in *IAS 24, Related party disclosures*, in Note 19 of its Financial Statements.

Related party transactions that took place during 2021 were concluded in the normal course of its operations.

RELATED PARTY AGREEMENTS

The Company entered into a Consultancy Services Agreement with a related party for the services of its CFO as an independent contractor. In 2021, total expenses related to the services of the CFO were $193. In April 2021, this agreement was extended for an additional six months, and was subsequently extended through May 2022. The Company expects to incur $80 from January 2022 through May 2022 for these services.

On July 15, 2020, the Company entered into a Reseller Agreement with a related party, pursuant to which such related party granted the Company a non-exclusive license to integrate a software development kit available for resale by such related party into applications, products, and services provided by the Company to its third party customers and to market, sell, and distribute such applications, products and services. The Company has incurred $100 to date under this agreement.

In connection with the RTO, the Company entered into a Registration Rights Agreement and an Investors Rights Agreement with MedTech Investment L. P. (“**MedTech**”) an entity controlled by Dr. Sheldon Elman and Stuart M. Elman, each a Director of the Company. Under the Investors Rights Agreement and Registration Rights Agreement, and subject to the terms and conditions, MedTech was granted, among other things, (i) certain director nomination, subscription rights and other shareholder rights, and (ii) the right to require the Company to qualify its common shares for distribution by way of a secondary offering prospectus, and to include its common shares in any qualification or registration of the Company’s common shares under applicable securities laws.

OTHER RELATED PARTY TRANSACTIONS

In July 2021, the Company agreed to extend for an additional two-year period the expiry date of 2,156,265 common share purchase warrants expiring July 29, 2021 owned by MedTech (the “**Principal Warrants**”). The Principal Warrants will therefore expire on July 29, 2023. All other terms and conditions of the Warrants remain unchanged, including the exercise price of $1.2429 per common share. This resulted in a change in the fair value of the Principal Warrants, which was expensed in the third quarter of 2021.

Certain officers (collectively, the "**Insiders**") of Carebook subscribed in the Offering for an aggregate of 60,000 Units (defined below). As related parties of the Company participated in the Offering, their subscriptions were deemed to be a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relied on an exemption from the formal valuation and minority shareholder approval requirements set out in MI 61-101, as the fair market value of the Insiders' participation in the Offering does not exceed 25% of the Company's market capitalization calculated in accordance with MI 61-101. More information on the Offering can be found at Note 23 - the Offering.

As disclosed on the “Capital Resources” section, on December 22, 2021, the Company entered into the Loan Agreements with investors, SAYKL and UIL for a total of $1,000 in aggregate gross proceeds.

In connection with the Rights Offering disclosed in the section “Debt Financing”, on April 11, 2022, the Company has entered into the Stand-by Commitment Agreement dated April 11, 2022 with UIL Limited as the Stand-by Guarantor, a current significant shareholder of the Company. The Stand-by Guarantor has agreed, subject to certain terms, conditions and limitations, to purchase such number of common shares that are available to be purchased, but not otherwise subscribed for under the Rights Offering, that will result in 100% of the common shares being subscribed under the Rights Offering. Pursuant to the Stand-by Commitment, the Company will, subject to the terms of the Stand-by Commitment Agreement, issue common shares in connection with the Rights Offering guaranteeing the Company to receive aggregate gross proceeds of at least $4,500. Further, pursuant to the Stand-by Commitment Agreement, UIL is entitled to receive warrants entitling the Stand-by Guarantor to purchase a number of common shares equal to 1.5% of the common shares purchased by the Stand-by Guarantor under the Stand-by Commitment Agreement less those common shares to which the Stand-by Guarantor is entitled under its basic subscription privilege and those it subscribes for under its additional subscription privilege. Further details of the Stand-by Commitment Agreement are contained in the Rights Offering circular.

As at the date hereof, UIL owns, exercises control or has direction over, directly or indirectly, 14,220,200 common shares, representing approximately 29.8% of the currently issued and outstanding common shares.

In addition, SAYKL, a company controlled by Dr. Sheldon Elman, Chairman of the Company and Stuart M. Elman, director of the Company, and which owns, controls or has direction over, jointly with its affiliates, 17,366,330 issued and outstanding common shares, or one of its affiliates, intends to exercise its Rights to purchase up to approximately $1,000 worth of common shares under the Rights Offering, representing 6,666,666 common shares.

If no Rights are exercised under the Rights Offering, other than those exercised by the Stand-by Guarantor pursuant to the Stand-by Commitment Agreement, and assuming SAYKL or an affiliate thereof subscribed for approximately $1,000 worth of Common Shares, representing 6,666,666 common shares, each of UIL and SAYKL would beneficially hold, control or direct, directly or indirectly, 37,553,533 and 24,032,996 Common Shares, respectively, representing 48.3% and 30.9% of the then issued and outstanding Common Shares.

Each of UIL and SAYKL is a "related party" of the Company under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") because it exercises control and direction over more than 10% of the issued and outstanding Common Shares. The Rights Offering is not subject to the related party transaction rules under MI 61-101 based on a prescribed exception related to rights offerings.

The Company intends to use the net proceeds of the Rights Offering to repay indebtedness, for working capital and other general corporate purposes.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company’s Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period; however, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in detail in Note 2 of the Company's 2021 Audited Financial Statements.

CHANGES IN ACCOUNTING POLICIES

No significant changes were made to the Company’s accounting policies during the year ended December 31, 2021.

Please refer to Note 2 of the Company's Financial Statements for more information regarding the Company's significant accounting policies and changes.

RISKS AND UNCERTAINTIES

The Company is subject to certain risks and uncertainties in carrying out its activities. Carebook has implemented measures to identify, monitor and, to a certain extent, mitigate such risks and uncertainties. Such measures include, among others, creating and marketing viable software products for sale and distribution, the supervision by the board of directors and management of the Company, as well as the enforcement of numerous policies and procedures. Additional risks not currently known or that the Company currently believes are immaterial may also impair its business, results of operations, financial condition and liquidity.

Risks related to the Company's Operations

Dependence on key customer

The Company has a significant commercial relationship with a key customer in the pharmacy vertical and considers such customer as an anchor client. As such, the Company may place more reliance on this client than it would on other clients. If for any reason this key customer experiences financial difficulties or finds it difficult to obtain sufficient financing to fund its own operations, there is no assurance that they will be able to continue the relationship with Carebook. These risks may be intensified during an economic downturn. This risk has been partially mitigated by the acquisitions of InfoTech and CoreHealth because this key customer went from representing 99% of revenues to approximately 50% for the year ended 2021.

Information systems and data

The integrity, reliability and security of information in all forms are critical to the Company's daily and strategic operations. Despite the Company's efforts to create security barriers, the Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks, security breaches and/or technological malfunctions affecting the Company or its products or services can result in, among other things, litigation, governmental audits or investigations, financial penalties or losses, unauthorized release of customer information or confidential information, loss of confidence in the Company's products and services, and significant reputational risk, each of which could adversely affect its business, financial condition and results of operations.

Qualified and key personnel

The success of the Company is dependent on its workforce and its ability to recruit and retain key personnel in a competitive work environment. The experience and expertise of the Company's board of directors and management team including business development, and its skilled product development and technical personnel are critical to successfully executing its business strategy.

Risks related to the Company's liquidity, capital resources and financial position

Market risk

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow risk. This risk is partially offset by cash and cash equivalents earning interest at variable market rates.

Financial assets and liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company is not currently exposed to significant risk with respect to financial assets and liabilities due to their short-term maturities.

With respect to floating-rate financial obligations, a negative impact on cash flows would occur if there were an increase in the reference rates such as CDOR or LIBOR, the rate of bankers' acceptances and the Canadian prime rate.

During 2020, the Company's interest rate risk arose principally from the Term Note which was paid. In 2021, the interest rate risk stems from the Credit Facilities and from the Loan Agreements.

All other things being equal, a reasonably possible 1.0% increase in the interest rate applicable to the daily balances of the Credit Facilities and Loan Agreements would have had a negative impact of $56 in the Company's loss for the year ended December 31, 2021 (nil for the year ended December 31, 2020).

Foreign exchange risk

In 2020, the Company had minimal risk attributable to certain U.S. dollar-denominated transactions pertaining to purchases of products and services. However, since the acquisitions of InfoTech and CoreHealth, the Company is faced with risk attributable to revenue invoiced and collected in U.S. dollars. The Company manages its exposure to currency fluctuations by monitoring its level of cash in foreign currencies. Management did not hedge these exposures as at December, 2021 or 2020.

Foreign exchange rate sensitivity

The Company is exposed to changes in currency exchange rates on certain of the Company's operating transactions, when revenue and expense transactions are denominated in a currency other than the Canadian dollar, the Company's functional currency. With the acquisitions of InfoTech and CoreHealth, the Company has an increased exposure to the U.S. dollar. A hypothetical 10% strengthening (weakening) of the U.S. dollar in relation to the Canadian dollar from December 31, 2021 levels would have had an impact of +/- $142 on net loss.

Credit risk

Credit risk pertains to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk with financial institutions, key customers and other parties as a result of cash-in-bank and customer trade receivables arising from the Company's operating activities. The maximum exposure to credit risk at the reporting date was the carrying value of each class of financial asset as described in Note 9 of the Financial Statements. The Company did not hold any collateral as security.

Liquidity risk

The capital structure of the Company includes shareholders' equity (deficit) and borrowings. Management's overriding objectives when managing capital are to have sufficient liquidity to meet the Company's liabilities when due, safeguard the business as a going concern, and create value through market growth and future returns. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. In April 2021, the Company secured debt financing which included a condition that the Company raise $11,000 in capital by August 4, 2021 should it wish to proceed with a specific acquisition. In August 2021, the Credit Agreement was amended such that the Company was required to raise $11,280 by August 6, 2021 and complete the acquisition of CoreHealth. The Company met this capital raise obligation through the Offering described in Note 23 of the Financial Statements. In December 2021, the Company entered into the $1,000 Loan Agreements to meet its ongoing liquidity needs. The Company continues to monitor its liquidity and has undergone significant cost reductions to ensure the business continues to operate as a going concern.

As discussed on section "Debt Financing", on April 6, 2022, the company entered into an agreement with the Lenders to amend its Credit Facilities. Under the amendment, the Company must make a mandatory prepayment of $1,000 on the Term Loan Facility no later than May 31, 2022. The Company expects to use the funds to be raised as part of the Rights Offering (see section "Debt Financing") to comply with such terms of the amendment.

The reader is cautioned that the foregoing list of risks is not exhaustive. Readers are encouraged to review and carefully consider the risk factors discussed under the heading "*Note 17 – Risk Management*" of the Financial Statements. In addition, a discussion of the risks and uncertainties to which Carebook is subject is presented in the section entitled "Risk Factors" of the Company's Listing Application dated September 28, 2020 and filed on SEDAR under the Company's profile at www.sedar.com. See also the section entitled "Forward-Looking Statements" starting on page 2 of this MD&A for a discussion of risks associated with forward-looking statements.

The acquisition of any of the securities of the Company is speculative and involves a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Shareholders should evaluate carefully the risk factors associated with the Company's securities described in the Listing Application, along with the risk factors described elsewhere in this MD&A and Financial Statements.