CAREBOOK TECHNOLOGIES INC.

Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020

Notice of No Auditor Review of Interim Condensed Consolidated Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2021 and 2020 have been prepared by the management in accordance with International Financial Reporting Standards and approved by the Board of Directors of Carebook Technologies Inc. (the "Company"). These condensed interim consolidated financial statements have not been reviewed by the Company's independent auditor.

CAREBOOK TECHNOLOGIES INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

Index to the Condensed Consolidated Financial Statements

CAREBOOK TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 and 2020

Unaudited

	Note	March 31, 2021	March 31, 2020
REVENUE	3	$ 863	$ 965
Cost of revenue		$ 74	$ 53
Gross profit		**$ 789**	**$ 912**
EXPENSES			
Sales and marketing	4	$ 476	$ 192
Research and development	4	$ 1,069	$ 992
General and administrative	4	$ 926	$ 486
Loss from operations		**$ (1,682)**	**$ (758)**
Loss (gain) on embedded derivatives	13	$ -	$ (69)
Transaction costs		$ 111	$ -
M&A costs		$ 71	$ -
Finance costs	2	$ 16	$ 129
Net loss		**$ (1,880)**	**$ (818)**
Total comprehensive loss		**$ (1,880)**	**$ (818)**
Basic and diluted loss per share		$ (0.06)	$ (0.04)
Weighted average number of basic and diluted common shares		30,510,648	21,667,081

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

CAREBOOK TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2021 and DECEMBER 31, 2020

Unaudited

	Note	March 31, 2021	December 31, 2020
ASSETS			
Current Assets			
Cash and cash equivalents		$ 1,123	$ 3,628
Trade and other receivables	6	$ 413	$ 245
Prepaid expenses		$ 153	$ 111
Total current assets		**$ 1,689**	**$ 3,984**
Non-Current Assets			
Property and equipment, net	7	$ 353	$ 372
Right-of-use leased assets	10	$ 451	$ 466
Goodwill	8	$ 4,370	$ 4,370
Intangible assets	8	$ 377	$ -
Total non-current assets		**$ 5,551**	**$ 5,208**
Total Assets		**$ 7,240**	**$ 9,192**
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	9	$ 1,031	$ 1,313
Contract liabilities	3	$ 290	$ 298
Current portion of lease liabilities	10	$ 68	$ 66
Total current liabilities		**$ 1,388**	**$ 1,677**
Non-Current Liabilities			
Lease liabilities	10	$ 658	$ 675
Total non-current liabilities		**$ 658**	**$ 675**
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	12	$ 23,660	$ 23,660
Warrant reserve		$ 2,421	$ 2,421
Contributed surplus		$ 8,221	$ 7,987
Accumulated deficit		$ (29,108)	$ (27,228)
Total shareholders' equity (deficit)		**$ 5,194**	**$ 6,840**
Total Liabilities and Shareholders' Equity		**$ 7,240**	**$ 9,192**

Approved by the Board of Directors on May 19, 2021:

(s) Josh Blair
Director

(s) Stuart M. Elman
Director

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

CAREBOOK TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER EQUITY (DEFICIT)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 and 2020

Unaudited

	Note	Share Capital		Warrants reserve	Contributed surplus	Accumulated deficit	Total shareholders' equity (deficit)
		#	$	$	$	$	$
At January 1, 2020		**21,667,081**	**$ 8,116**	**$ -**	**$ 5,240**	**$ (16,337)**	**$ (2,981)**
Net loss			$ -	$ -	$ -	$ (818)	$ (818)
At March 31, 2020		**21,667,081**	**$ 8,116**	**$ -**	**$ 5,240**	**$ (17,155)**	**$ (3,799)**
At January 1, 2021		**30,552,098**	**$ 23,660**	**$ 2,421**	**$ 7,987**	**$ (27,228)**	**$ 6,840**
Stock-based compensation	12		$ -	$ -	$ 234	$ -	$ 234
Net loss from operations			$ -	$ -	$ -	$ (1,880)	$ (1,880)
At March 31, 2021		**30,522,098**	**$ 23,660**	**$ 2,421**	**$ 8,221**	**$ (29,108)**	**$ 5,194**

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

CAREBOOK TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOW

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 and 2020

Unaudited

	Note	March 31, 2021	March 31, 2020
Cash flows from (used in) operating activities			
Net loss		$ (1,880)	$ (818)
Adjustments for non-cash items:			
Stock based compensation	12	$ 234	$ -
Depreciation		$ 49	$ 36
Gain (loss) on embedded derivative	13	$ -	$ (69)
Accretion of long-term debt		$ -	$ 16
Accretion of lease liability		$ -	$ 1
Interest expense		$ -	$ 112
Changes in non-working capital items:			
Trade and other receivables	6	$ (168)	$ 4
Prepaid expenses		$ (42)	$ 13
Accounts payable and accrued liabilities	9	$ (275)	$ 143
Contract liabilities		$ (8)	$ (50)
Net cash from (used in) operating activities		**$ (2,090)**	**$ (612)**
Cash flows from (used in) investing activities			
Purchases of property and equipment	7	$ (15)	$ (5)
Addition of intangible assets	8	$ (377)	$ -
Net cash from (used in) investing activities		**$ (392)**	**$ (5)**
Cash flows from (used in) financing activities			
Issuance (repayment) of advances due to related parties	11	$ -	$ 775
Payments of principal on lease liabilities	10	$ (8)	$ (10)
Lease inducements and prepayments, net		$ (16)	$ (8)
Interest paid		$ -	$ (58)
Issuance (repayment) of term loan		$ -	$ 200
Net cash from (used in) financing activities		**$ (24)**	**$ 899**
Net increase (decrease) in cash and cash equivalents		$ (2,505)	$ 282
Cash and cash equivalents - beginning of period		$ 3,628	$ 117
Cash and cash equivalents - end of period		**$ 1,123**	**$ 399**

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

Note 1 - General Information

Carebook Technologies Inc. (the "Company" or "Carebook") was incorporated on July 11, 2018 under the *Business Corporations Act (British Columbia)* ("BCBCA") under the name Pike Mountain Minerals Inc. ("Pike").

On October 1, 2020, Pike, together with its wholly-owned subsidiary 12235978 Canada Ltd. ("Subco"), concluded a three-cornered amalgamation with Carebook Technologies (2020) Inc., formerly known as Carebook Technologies Inc. ("Carebook 2020"), to complete an arm's length reverse takeover transaction (the "RTO"). In connection with the closing of the RTO on October 1, 2020 (described in Note 17 - Reverse Takeover Transaction), the Company changed its name to "Carebook Technologies Inc."

For accounting purposes, it has been determined that Pike was the accounting acquiree and Carebook 2020 was the accounting acquirer since the shareholders of Carebook 2020 now control Carebook Technologies Inc., based on the guidance of IFRS 10, Consolidated Financial Statements, and IFRS 3, Business Combinations, to identify the accounting acquirer (Note 17 - Reverse Takeover Transaction).

These consolidated financial statements are prepared as a continuation of the financial statements of Carebook 2020, but reflecting the continuation of the equity instruments of Pike as a result of the RTO. As a result, comparative information included herein from the three months ended March 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 registered office of the Company is 1700-666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8 and its executive office is situated at 1400-2045 rue Stanley, Montréal, Québec, Canada, H3A 2V4.

The principal activities of the Company consist of the development and commercialization of a mobile health management system for individuals, their families, pharmacies, employers, insurers, and clinics. The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol CRBK, on the OTC Markets under the symbol CRBKF, and on the Frankfurt Stock Exchange under the symbol PMM1.

Note 2 - Summary of Significant Accounting Policies

2.1 Basis of presentation and going concern

Basis of presentation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements should be read in conjunction with the December 31, 2020 annual consolidated financial statements, which have been prepared in accordance with IFRS as issued by the IASB.

The Company's Board of Directors approved these interim condensed consolidated financial statements on May 19, 2021. These interim condensed consolidated financial statements have been prepared in accordance with the following significant accounting policies that have been applied consistently to all the periods presented.

The Company operates in a single reporting segment. All revenues were principally generated in Canada during the periods covered herein. All non-current assets are held in Canada.

Basis of consolidation

The Company consolidates all controlled subsidiaries. The interim condensed consolidated financial statements include the accounts of Carebook Technologies Inc. and its wholly-owned subsidiary, Carebook Technologies (US), Inc. The financial information of the subsidiary is prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances are eliminated upon consolidation.

Functional and presentation currency

The functional currency of the Company is the Canadian dollar. All figures are presented in thousands of Canadian dollars ("$000s CAD") unless they refer to share or per share figures, or it is otherwise specified.

Going concern

These interim condensed consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

As at March 31, 2021, the Company's current assets exceeded its current liabilities by $0.3 million. However, the Company has incurred significant operating losses and negative cash flows from operations since inception, resulting in an accumulated deficit of $29.1 million as at March 31, 2021. To date, the Company has incurred significant costs relating to the development of its technology and service offerings, recruitment of key personnel, and establishing a market for the Company's services. The Company expects to incur further losses in the development of its business in the near-term and given the funds required for its monthly burn rate, the Company's working capital may be insufficient to meet its obligations.

The going concern expectation is based on certain assumptions and estimates such as the ability of the Company to generate revenue from current and prospective customers, meet general and administrative expense requirements, and the ability of the Company to raise capital requirements through equity issuances or debt financing.

During 2018, the Company signed a five-year software development contract; however, licensing and other revenue streams are still being developed, and there is no guarantee that future revenue will generate sufficient income to offset operating expenses.

In March 2020, the World Health Organization ("WHO") declared COVID-19 a pandemic. In response to the WHO declaration and continuing spread of COVID-19, several social distancing measures were taken by the Company and third parties including governments, regulatory authorities, businesses, and customers that could negatively impact the Company's operations and financial results in future periods. Given the unprecedented and pervasive impact of changing circumstances surrounding the COVID-19 pandemic, there is inherently more uncertainty associated with future operating assumptions and expectations as compared to prior periods.

The pandemic caused by the spread of a novel strain of coronavirus, COVID-19, has resulted in no negative impact on the Company's existing revenue. However, the broad economic slowdown due to COVID-19 has impacted the Company's business development and global expansion initiatives. While the Company remains in active conversations with potential clients globally, the travel bans, cancelled trade shows/conferences, and other impacts of COVID-19 have slowed the Company's sales activities. Additionally, potential clients have lengthened their sales cycle, as they focus on dealing with COVID-19.

The Company has been successful in securing debt financing in the past as described in Note 11 - Borrowings, raised equity financing in October 2020 as described in Note 17 – Reverse Takeover Transaction, and secured credit facilities in April 2021 as described in Note 19 - Subsequent Events, the raising of additional funds is dependent on several factors outside the Company's control and largely unknown particularly due to the state of the global economy as a result of the COVID-19 pandemic. As such, there can be no assurance that these initiatives will be successful or sufficient. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Furthermore, management received confirmation of certain approved financing and subsidies during 2020, and continues to evaluate the Company's eligibility with respect to various subsidies recently made available by the Canadian government to businesses, which is expected to provide additional sources of cash flow to the Company in 2021.

These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was determined to be inappropriate and these adjustments could be material.

2.2 Significant accounting policies

The significant accounting policies used in preparing these condensed interim consolidated financial statements are the same as those disclosed in Note 2 - Summary of Significant Accounting Policies of the Company's 2020 Annual Audited Consolidated Financial Statements, except for the following additions or updates to the policies as set out below:

Finance costs

Interest expense on short- and long-term financing is recorded at the relevant rates on the various borrowing agreements. The components of finance costs within the condensed consolidated statements of loss and comprehensive loss for the three months ended March 31, 2021 and 2020 were as follows:

	March 31, 2021	March 31, 2020
Finance costs consist of the following:		
Term note payable	$ -	$ 41
Convertible debt	$ -	$ 70
Interest expense on lease liabilities	$ 16	$ 16
Term loan	$ -	$ 2
Total finance costs	**$ 16**	**$ 129**

Investment tax credits

The Company incurs research and development expenditures, which are eligible for investment tax credits. The recorded investment tax credits are based on management's estimates expected to be recovered and are subject to audit by taxation authorities.

Investment tax credits for research and development are reflected as a reduction in the expenses to which they relate. In 2019, tax credits relating to 2017 were recorded in the amount of $20. In June 2020, tax credits relating to 2018 were recorded in the amount of $26. The amounts of expected recovery in connection with 2019 and 2020 activities have not been accrued as of the first quarter of 2021 due to uncertainty around amounts expected to be recovered.

Intangible assets

Recognition, measurement, and amortization

Expenditures related to research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the condensed consolidated statements of loss and comprehensive loss as incurred, net of related tax credits.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Costs incurred on development projects are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete and use the intangible asset;
- There is an ability to use the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

As at March 31, 2021, these criteria were all met and as such development expenditures were capitalized as incurred, net of related tax credits.

Development assets are depreciated using the straight-line method over their estimated useful life of 10 years.

Impairment tests for property and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying value of its property and equipment, including its right-of-use assets, and intangible assets with finite useful lives, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

No impairment losses have been recognized in the condensed consolidated statements of loss and comprehensive loss.

2.3 Significant judgments and estimates

The preparation of the Company's interim condensed consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reporting amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at each reporting date. The outcome of these uncertainties 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 judgments, estimates, and assumptions applied in the preparation of these condensed consolidated financial statements are the consistent with those disclosed in Note 2 of the 2020 Annual Audited Consolidated Financial Statements with the addition of or updates to the following:

Provisions

Provisions for the following are considered on an ongoing basis: (a) legal and other potential claims; and (b) onerous contracts.

During 2020, the Company received a claim for wrongful termination from a former executive. The claim seeks a severance payment equal to 6-months base salary, and an amount for stock options and commissions. The Company is defending the action and expects that litigation will continue into the foreseeable future unless settled. A reasonable estimate has been determined for the severance claim, as such, the Company has accrued this amount as a labour and employee benefits expense in the period ending September 30, 2020, and was updated for the period ending December 31, 2020. The amount is not disclosed herein so as not to prejudice the Company in the ongoing dispute.

Any amounts for provisions represent management's best estimates of the expenditure required to settle the obligation at the date of the condensed consolidated statements of financial position and will be revised each quarter until the actual liability is settled.

Useful lives of property and equipment and finite-life intangible assets

Property and equipment and finite-life intangible assets represent a significant proportion of the Company's total assets. Determining the useful lives of intangible assets requires management to exercise reasonable judgment with respect to the period over which a capital asset is expected to be available for use by the Company based on its experience with similar assets. Management reviews the estimated useful lives at each financial year end and adjusts prospectively, if appropriate.

Changes in technology or the Company's intended use of these assets, as well as changes in business prospects or economic and industry factors, may cause the estimated useful lives of these assets to change.

To date, there have been no changes to the estimated useful lives of intangible assets.

Capitalization of internally generated intangible assets

Expenses incurred to build Carebook's platform during the development phase are capitalized as an internally generated intangible asset when the criteria are met as per IAS 38. Management uses significant judgments to assess whether specific individual projects should be eligible for capitalization. Costs incurred during the research phase are expensed in the period in which they were incurred.

Share-based payments

The calculation of the fair value of stock options and warrants granted require management to make estimates and assumptions about expected volatility, expected life, and expected forfeiture rates, which could affect the Company's results if the current estimates change.

Going concern

Determining whether there exists material uncertainty that casts significant doubt about the Company's ability to continue as a going concern requires management to exercise its judgment in particular about its ability to obtain future financing and projected future cash flows. Significant judgments related to the Company's ability to continue as a going concern are disclosed in Note 2.1.

2.4 Fair value measurement

Fair value accounting guidance establishes a framework for measuring fair value and expands disclosure about fair value measurements. The framework is intended to enable the reader of the interim condensed consolidated financial statements to assess the inputs used to develop those measurements by establishing the hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value hierarchy consists of three broad levels described below:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted market prices that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3: Inputs that are both significant to the fair value measurement and unobservable.

The classification of financial instruments held by the Company as at March 31, 2021 and 2020 is as follows:

- Derivatives not designated in hedge relationships that qualify for hedge accounting in accordance with IAS 39, "Financial Instruments'' ("IAS 39"), are classified and subsequently measured at FVPL and measured at their fair value determined upon available market data. Profit or losses on derivatives are recorded in loss (gain) in embedded derivatives in the condensed consolidated statements of loss and comprehensive loss.
- Cash and cash equivalents, trade and other receivables, and advance to shareholders are classified as and subsequently measured at amortized cost using the effective interest method. These financial assets are held within a business model whose objective is to hold the assets in order to collect contractual cash flows provided they give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding and are carried at amortized cost using the effective interest rate method, less any impairment. These assets are classified as current or non-current assets based on their maturity date.
- Accounts payable and accrued liabilities, contract liabilities, advances due to related parties, term note payable, term loan, and long term debt are classified as and subsequently measured at amortized cost using the effective interest method.

Refer to Note 11 - Borrowings and Note 13 - Financial Instruments for more information.

Note 3 - Revenue

The Company's revenue by service offering for the three months ended March 31, 2021 and 2020 were:

	March 31, 2021	March 31, 2020
Revenue consists of the following:		
Software as a service (SaaS)	$ 146	$ 31
Software development	$ 728	$ 950
Revenue share	$ (11)	$ (16)
Total revenue	**$ 863**	**$ 965**

As described in Note 15 - Commitments, the Company has certain revenue share obligations. The revenue share commitment had been expensed in prior periods, but has been reclassed and recorded net of revenue, as reflected in the table above.

The following table outlines the changes in contract liabilities for the periods presented:

	2021	2020
Balance as at January 1,	$ 298	$ 333
Decrease from satisfied performance obligations	$ (863)	$ (950)
Increase from changes as a result of the measures in progress	$ 855	$ 900
Balance as at March 31,	**$ 290**	**$ 283**
Of which current	$ 290	$ 283
Of which non-current	$ -	$ -

The Company's minimum performance commitments to its customers remain through 2023. The Company expects to recognize a minimum revenue of approximately $2.7 million, $2.0 million, and $0.3 million in the years ending December 31, 2021, 2022, and 2023, respectively, for partial and fully unsatisfied performance obligations under its fixed fee arrangements.

Note 4 - Expenses by Function

The Company's expenses are broken down by function for the three months ended March 31, 2021 and 2020 as follows:

	March 31, 2021	March 31, 2020
Labour & employee benefits	$ 442	$ 175
Stock based compensation	$ 6	$ -
Marketing	$ 28	$ 7
Business development	$ -	$ 10
Total sales and marketing expenses	**$ 476**	**$ 192**

	March 31, 2021	March 31, 2020
Labour & employee benefits	$ 838	$ 866
Stock based compensation	$ 27	$ -
Research and development	$ 184	$ 115
Depreciation & amortization	$ 20	$ 11
Total research and development expenses	**$ 1,069**	**$ 992**

	March 31, 2021	March 31, 2020
Labour & employee benefits	$ 255	$ 193
Stock based compensation	$ 201	$ -
Rent	$ 34	$ 33
Professional fees	$ 274	$ 179
General and administrative	$ 116	$ 21
Travel and team	$ 17	$ 35
Depreciation	$ 29	$ 25
Total general and administrative expenses	**$ 926**	**$ 486**

In connection with the term loan from PME MTL, described in Note 11 - Borrowings, the Company received a $15 grant in February 2020. The grant was used toward research and development labour expenses.

In April 2020, the Company was approved for a joint grant with a third-party technology firm for a patient-centric artificial intelligence research project, whereby certain admissible project expenses will be reimbursed to the companies by the grantor—a Quebec nonprofit organization—up to $285. The Company's maximum potential reimbursements would equal $143 for project expenses. As at March 31, 2021, the Company has received $72 under this program. The next instalment of $36 is expected during the second quarter of 2021.

Note 5 - Depreciation and Amortization Expenses

Depreciation and amortization expenses for the three months ended March 31, 2021 and 2020 are as follows:

	March 31, 2021	March 31, 2020
Depreciation	$ 39	$ 36
Amortization of intangible assets	$ 10	$ -
Total depreciation and amortization expenses	**$ 49**	**$ 36**

Note 6 - Trade and Other Receivables

The Company had $413 in trade and other receivables as at March 31, 2021 and $245 in other receivables as at December 31, 2020. These receivables consisted of sales tax receivables, a trade receivable balance on an unpaid invoice, and reimbursements from the provincial government related to the *RL-1 Summary - Summary of Source Deductions and Employer Contributions*.

	March 31, 2021	December 31, 2020
Sales tax receivable	$ 80	$ 210
Trade receivables	$ 298	$ -
Other receivables	$ 35	$ 35
Total trade and other receivables	**$ 413**	**$ 245**

Impairment allowance

The Company periodically reviews its customers' account aging, credit worthiness, payment histories, and balance trends in order to evaluate trade receivables for impairment under the current expected credit loss. Management also considers historical losses and whether changes in general economic conditions and if the industries in which the Company operates are likely to impact the ability of the Company's customers to remain within agreed payment terms or to pay their account balances in full.

No impairment allowances were recognized during the three months ended March 31, 2021 and 2020.

The maximum exposure to credit risk as at the reporting date was the carrying value of trade and other receivables. The Company did not hold any collateral from its customers or debtors as security as at March 31, 2021 and March 31, 2020.

Currency concentrations

As at March 31, 2021 and March 31, 2020, the Company had no outstanding trade receivables transacted in currencies other than the Company's functional currency (Canadian dollars).

Note 7 - Property and Equipment

Property and equipment balances and movements were comprised of the following:

	Leasehold Improvements	Furniture	Computer Hardware	Total
Balance as at January 1, 2020	$ 288	$ 65	$ 55	$ 408
Additions	$ 4	$ 4	$ 48	$ 56
Disposals	$ -	$ -	$ -	$ -
Depreciation expense	$ (34)	$ (20)	$ (39)	$ (93)
Balance as at December 31, 2020	$ 258	$ 49	$ 64	$ 371
Cost	$ 352	$ 135	$ 220	$ 707
Less accumulated depreciation	$ (94)	$ (86)	$ (156)	$ (336)
Balance as at December 31, 2020	**$ 258**	**$ 49**	**$ 64**	**$ 371**
Balance as at January 1, 2021	$ 258	$ 49	$ 64	$ 371
Additions	$ -	$ -	$ 6	$ 6
Disposals	$ -	$ -	$ (1)	$ (1)
Depreciation expense	$ (8)	$ (5)	$ (10)	$ (25)
Balance as at March 31, 2021	$ 250	$ 44	$ 59	$ 351
Cost	$ 352	$ 135	$ 227	$ 712
Less accumulated depreciation	$ (102)	$ (91)	$ (168)	$ (361)
Balance as at March 31, 2021	**$ 250**	**$ 44**	**$ 59**	**$ 351**

As at March 31, 2021, the Company did not have any accrued balances for acquired property and equipment within accounts payable and accrued liabilities.

The Company did not recognize any impairments of property and equipment during the periods ended March 31, 2021 and 2020, but disposed of $1 in hardware expenses during the first quarter of 2021.

The amount of contractual commitments for the acquisition of property and equipment is disclosed in Note 15 — Commitments.

Note 8 - Intangible Assets and Goodwill

Changes in intangible assets were as follows:

	Capitalized Development	Goodwill
Balance as at January 1, 2020	$ -	$ 4,370
Additions	$ -	$ -
Balance as at December 31, 2020	$ -	$ 4,370
Cost	$ -	$ 4,370
Less accumulated amortization	$ -	$ -
Balance as at December 31, 2020	**$ -**	**$ 4,370**
Balance as at January 1, 2021	$ -	$ 4,370
Additions	$ 387	$ -
Amortization	$ (10)	$ -
Balance as at March 31, 2021	$ 377	$ 4,370
Cost	$ 387	$ 4,370
Less accumulated amortization	$ (10)	$ -
Balance as at March 31, 2021	**$ 377**	**$ 4,370**

In the first quarter of 2021 the Company met all of the criteria for the capitalization of development under IAS 38. $387 was capitalized during the quarter. Management estimated that the useful life of development is 10 years and expenses will be amortized on a straight-line basis.

Note 9 - Accounts Payable and Accrued Liabilities

As at March 31, 2021 and December 31, 2020 the accounts payable and accrued liabilities consisted of the following:

	March 31, 2021	December 31, 2020
Trade payables	$ 306	$ 372
Employee entitlements	$ 166	$ 135
Other payables and accrued liabilities	$ 559	$ 806
Total accounts payable and accrued liabilities	**$ 1,031**	**$ 1,313**

Note 10 - Leases

The Company leases office space for use in its operations. In March 2018, the Company signed its current building lease for an initial term of 10 years with two additional five-year extensions exercisable by the Company. At lease commencement, the extensions were not deemed to be reasonably certain to be exercised by the Company; thus, these extensions were not included in the term for the lease liability and ROU asset. The lease provides for additional rent payments that relate to the property taxes levied on the lessor, insurance payments made by the lessor, and operating expenses and common area maintenance expenses charged by the lessor. These amounts are generally determined annually.

In March 2020, the Company amended the building lease to increase the square footage of office space lease utilized. The terms of the additional office space lease remained consistent with the original lease agreement and represented incremental lease payments in consideration for the increased space for use by the Company. The additional office space was deemed a new lease and included in the carrying amounts of the lease liability and ROU asset. The Company also has low-value and short-term leases primarily for printers and office equipment, with terms of one to five years. The Company typically recognizes lease expenses on a straight-line basis over the life of the lease for these assets.

The following table represents the changes in ROU assets for the three months ended March 31, 2021 and 2020:

Cost of right-of-use assets	**2021**	**2020**
Balance as at January 1,	$ 597	$ 431
Additions	$ -	$ 166
Balance as at March 31,	**$ 597**	**$ 597**
Less accumulated amortization	$ 146	$ 87
Net book value as at March 31,	**$ 451**	**$ 510**

The following table outlines the maturity of the contractual payments due under the Company's lease arrangements as at March 31, 2021 and December 31, 2020:

	March 31, 2021	**December 31, 2020**
Less than 1 year	$ 127	$ 127
1 to 5 years	$ 673	$ 671
More than 5 years	$ 177	$ 211
Total	**$ 977**	**$ 1,009**
Less: impact of discounting	$ 251	$ 268
Total lease obligations	**$ 726**	**$ 741**
Of which non-current	$ 658	$ 675
Of which current	$ 68	$ 66

Note 11 - Borrowings

11.1 Analysis by nature

	March 31, 2021			
	Carrying Amount	Face Value	Nominal Rate	Effective Rate
Lease liability	$ 726	$ 726		9.95%
Total borrowings	**$ 726**	**$ 726**		
Of which non-current	$ 658			
Of which current	$ 68			

	December 31, 2020			
	Carrying Amount	Face Value	Nominal Rate	Effective Rate
Lease liability	$ 741	$ 742		9.95%
Total borrowings	**$ 741**	**$ 742**		
Of which non-current	$ 675			
Of which current	$ 66			

11.2 Movements in borrowings

	2021	2020
Balance as at January 1,	$ 741	$ 2,809
Issuance (repayment) of long-term debt	$ -	$ 200
Accretion of long-term debt	$ -	$ 16
Incurrence of lease liability	$ -	$ 96
Modification of existing lease liability	$ -	$ 63
Accretion of lease liability	$ -	$ 1
Repayment of lease liability	$ (15)	$ (10)
Balance as at March 31,	**$ 726**	**$ 3,175**

11.3 Main features of borrowings

Convertible Debt

On April 2, 2018, the Company issued an unsecured convertible debt for a principal amount of $2,500 at an annual interest rate of 8%, which matures in April 2023 (the "Convertible Debt"). Subject to certain prepayment features, the Convertible Debt was convertible into either common shares or the most senior class of issued and outstanding equity securities, at the holder's option, at the end of its five-year term. The conversion option was automatically exercised in the event of a qualified financing or a change of control. The equity conversion options were deemed to be an embedded derivative to the underlying debt instrument with a term contemporaneous with the Convertible Debt. In September, 2020, the Convertible Debt holder signed a waiver of conversion and consent to prepayment of the Convertible Debt. In October 2020, the obligations totalling $3,030, being the principal amount of $2,500 together with $530 of accrued and unpaid interest on such principal amount, were repaid.

See Note 13 – Financial Instruments for more information on the embedded derivative.

Covenants

Prior to repayment of the Convertible Debt in October 2020, the Company was in compliance with all of the covenants related to the Convertible Debt.

PME MTL Centre-Ville Loans

In January 2020, the Company received term loans totaling $200 from the PME MTL Centre-Ville investment funds ("PME MTL Term Loans") – $100 each from the PME MTL Fund and the Fonds local de solidarité Montréal ("FLS Montreal"). The PME MTL Term Loans were issued with a term of five years at 8.5% interest, payable monthly until repayment or maturity.

The term loan agreement contained certain customary covenants. Concurrent with the PME MTL Term Loans, the Company was awarded a $15 grant from the PME MTL Centre-Ville's Young Business Fund ("YBF"). The PME MTL Term Loans contained no prepayment penalty after the first two years. However, if repaid within the first 24 months, the YBF grant would have to be repaid to PME MTL Centre-Ville at the time of early extinguishment.

In March 2020, PME MTL Centre-Ville issued a six-month moratorium on payments under the PME MTL Term Loans in response to the COVID-19 pandemic. The interest moratorium was determined to be a non-substantial loan modification, as the terms and conditions did not change in a meaningful way and the present value of the contractual cash flows were not materially different due to the changes in the timing of payments.

Following the completion of the RTO, the PME MTL Term Loans totalling $200 were reimbursed together with $1 in interest in October, 2020. The YBF grant of $15 was not required to be repaid.

Short-term borrowings – Term note payable

In April 2017, the Company entered into a one-year term note with National Bank of Canada with a principal amount of $2,500 (the "Term Note"). The Term Note bears a variable annual interest rate of the prime rate plus 2.75% and an original maturity in April 2018.

Concurrent with issuance of the Term Note, shareholders of the Company, Persistence Capital Partners II, L.P. and Persistence Capital Partners II (International), L.P. were issued 205,482 and 6,661 stock options, respectively, as consideration for providing a guarantee of repayment to National Bank of Canada for the Term Note. Each such stock option entitled the holder thereof to purchase a Class A common share of Carebook 2020 for each stock option held.

The issued stock options were fully vested at the time of the RTO. The stock options related to the guarantee were considered outstanding as at each renewal date and reporting period with no subsequent or incremental consideration exchanged.

In July 2018, the Company renewed the Term Note under the same terms and conditions and an updated maturity of June 2019. In July 2019, the Company renewed the Term Note under the same terms and conditions and an updated maturity of June 2020. In July 2020, the Company renewed the Term Note with an updated maturity through December 31, 2020 and variable annual interest rate of the prime rate plus 3.25%. The other terms and conditions remained unchanged.

As part of the RTO, the stock options held by Persistence Capital Partners II, L.P. and Persistence Capital Partners II (International), L.P. were exchanged for 354,459 and 11,490 stock options of the Company, respectively. These new stock options entitle the holders thereof to purchase a common share of the Company for each stock option held. The number of stock options exchanged reflects the fact that in connection with the RTO, Carebook 2020 completed a split of its common shares on a 1.725-for-one basis. There was no change to the exercise value of these stock options as the strike price and number of underlying common shares were each modified at the same 1.725 to one ratio to reflect the share split.

In November 2020, the Company repaid the Term Note along with $14 of interest.

Note 12 - Share Capital

Authorized

Unlimited common shares without par value.

Issued Common Shares

As at March 31, 2021, the issued share capital comprises 30,522,098 common shares. The issued share capital was the same as at December 31, 2020.

	March 31, 2021			December 31, 2020		
	Shares		Amounts	Shares		Amounts
Common shares	30,522,098	$	23,660	30,522,098	$	23,660
Total shares issued and outstanding	**30,522,098**	**$**	**23,660**	**$ 30,522,098**	**$**	**23,660**

Options to purchase Common Shares

Prior to the completion of the RTO, Carebook 2020 had issued individual stock options ("Carebook 2020 Options") that entitled directors, shareholders, key employees, or consultants to purchase Class A common shares of Carebook 2020. The Carebook 2020 Options generally expired 10 years after the grant date and typically vested over a period of four years, subject to a non-market performance condition related to the occurrence of a liquidity event. The Carebook 2020 Options were exercisable at the fair value of the shares at the date of grant.

On August 7, 2020, the Company (then known as Pike) and Carebook 2020 entered into the Business Combination Agreement pursuant to which the Company (then known as Pike) and Carebook 2020 agreed to complete the RTO. The RTO is described in Note 17 – Reverse Takeover Transaction.

The RTO represented a liquidity event that satisfied the non-market performance condition of unvested stock options and as such, the recognition of the expense pertaining to the Carebook 2020 Options became estimable as the occurrence of the RTO became probable. The share-based compensation expenses related to these stock options are within the interim statements of loss and comprehensive loss for the three and six months ended June 30, 2020.

In the third quarter of 2020, there was a forfeiture of stock options due to the termination of an employee that resulted in a net recovery of $93.

In connection with the RTO, the Company adopted a new stock option plan and holders of Carebook 2020 Options received, concurrent with the Amalgamation (as defined below), a vested option to acquire 1.725 common shares of the Company for each Carebook 2020 Common Share underlying the vested portion of the Carebook 2020 Option(s) held by such holder. The life of these stock options were extended to their original expiry date. Therefore, in connection with the RTO, an aggregate of 2,601,638 stock options of the Company were granted. There was no change to the exercise value of these stock options as the strike price and number of underlying common shares were each modified at the same 1.725 to one ratio to reflect the share split.

In October 2020, 385,000 stock options were granted to directors and officers of the Company. The options vest at equal, quarterly intervals over a period of one year and expire 10 years after the grant date.

In December 2020, the Company granted its employees 450,470 stock options. The options expire 10 years after the grant date and will vest over a period of three years. In December 2020, an employee exercised 11,450 stock options.

In January 2021, the Company granted its employees 1,000 stock options. The options expire 10 years after the grant date and will vest over a period of three years.

Other than what has been disclosed above, there were no changes in the number of stock options or their fair value, and no other grants, exercises, expirations, or forfeitures occurred during the period.

As at March 31, 2021, the number of stock options outstanding is 3,426,658.

Warrants

Prior to the RTO, there were 1,724,475 warrants issued by Carebook 2020 to certain related parties (the "Carebook 2020 Principal Warrants"). As with the Carebook 2020 Options described above, the holders of Carebook 2020 Principal Warrants were issued warrants at a 1.725-for-one ratio in connection with the RTO. There was no change to the exercise value of these warrants as the change in strike price and number of underlying common shares of the Company reflect the same 1.725 to one ratio, in accordance with the share split.

As part of the private placement financings, described in Note 17 - Reverse Takeover Transaction, Carebook 2020 issued 4,200,000 warrants to purchase Carebook 2020 Common Shares ("Carebook 2020 Warrants"). In connection with the private placement financings described in Note 17 - Reverse Takeover Transaction, the Company issued 480,000 warrants to purchase Carebook 2020 Common Shares as compensation to the brokers who arranged such private placement financings ("Carebook 2020 Broker Warrants"), which were exercisable to acquire an aggregate of 480,000 Carebook Units at an exercise price equal to $2.50 per Carebook Unit.

As part of the RTO, the 4,200,000 Carebook 2020 Warrants were exchanged for an equivalent number of warrants to purchase common shares of the Company, each entitling the holder thereof to acquire one common share of the Company at a price of $3.125 for a period of 24 months following the completion of the RTO (a "Replacement Warrant"). In addition, the 480,000 Carebook 2020 Broker Warrants were exchanged for an equivalent number of purchase warrants of the Company, entitling the holder thereof to purchase a unit of the Company at a price of $2.50 per unit and expiring on the date that is 24 months following the completion of the RTO. Each such unit comprises one common share of the Company and one-half of one Replacement Warrant.

Prior to the RTO, the Company also had 338,102 warrants outstanding ("Pike Broker Warrants") which entitled the holder thereof to acquire one common share of the Company at a price of $0.10 until September 16, 2021. In connection with the RTO, such Pike Broker Warrants were exchanged for an equivalent number of warrants entitling the holder thereof to purchase such number of common shares of the Company as would have resulted if the exercise of the Pike Broker Warrants had taken place prior to the consolidation, and the exercise price per common share of the Company was adjusted accordingly. Post-consolidation, there were 25,639 Pike Broker Warrants issued and outstanding.

No additional warrants were granted during the first quarter of 2021. The total number of outstanding warrants as at March 31, 2021 is 7,920,379.

Note 13 - Financial Instruments

13.1 Financial assets and liabilities by categories

The Company's financial assets include cash and cash equivalents, trade and other receivables, and shareholder advances, and its financial liabilities consisted of accounts payable and accrued liabilities, and short-term and long-term borrowings. Cash and cash equivalents, trade and other receivables, and advances to shareholders are carried at amortized cost using the effective interest rate method, less any impairment. Accounts payable and accrued liabilities, and short-term and long-term borrowings are

financial liabilities measured at amortized cost using the effective interest rate method. The embedded derivative is carried at fair value based on observable and unobservable inputs.

As at March 31, 2021 and December 31, 2020 the Company's financial assets and liabilities were as follows:

	March 31, 2021			December 31, 2020		
	At Carrying Value or Amortized Cost	At FVPL	Total	At Carrying Value or Amortized Cost	At FVPL	Total
Cash and cash equivalents	$ 1,123	$ -	$ 1,123	$ 3,628	$ -	$ 3,628
Trade & other receivables	$ 413	$ -	$ 413	$ 245	$ -	$ 245
Total financial assets	**$ 1,536**	**$ -**	**$ 1,536**	**$ 3,873**	**$ -**	**$ 3,873**
Trade payables	$ 306	$ -	$ 306	$ 372	$ -	$ 372
Total financial liabilities	**$ 306**	**$ -**	**$ 306**	**$ 372**	**$ -**	**$ 372**

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

13.2 Fair values

The carrying values of the Company's term loans and related party advances were the redemption value at maturity.

The embedded derivative within the Convertible Debt has the character of a financial derivative. Accordingly, the fair value of the equity conversion option is re-estimated periodically, and changes in the fair value are recognized within the condensed consolidated statements of loss and comprehensive loss.

The fair values of all of the Company's other financial assets and liabilities approximated their carrying values as a result of their liquidity or short maturity.

13.3 Valuation hierarchy

The Company analyzes its financial instruments measured at fair value and groups them into levels based on the degree to which the fair value was observable.

The carrying amounts of cash and cash equivalents, trade and other receivables, advances to shareholders, accounts payable and accrued liabilities, advances due to related parties, and short-term borrowings approximate their fair value because of the short-term maturity and highly liquid nature of these instruments and are considered Level 1.

The Convertible Debt is carried at the present value of the discounted future cash flows using rates currently available for debt of similar terms and maturity, net of unamortized discount and deferred costs, as of the end of the reporting period (Level 3). The carrying value of the Convertible Debt approximates its fair value.

The estimated fair value of the embedded derivative related to the equity conversion option of the Convertible Debt is determined using a discounted cash flow method, which includes assumptions based on unobservable inputs. In light of the methodologies employed to obtain the fair values, the embedded derivative is classified as Level 3 in the fair value hierarchy. The carrying value equaled the

estimated fair value of the instrument and was recorded in the condensed consolidated statements of financial position.

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 forego its equity conversion option upon completion of the RTO. This resulted in the acceleration of the depreciation of the debt to its nominal value and a gain on the reversal of the embedded derivative.

During the three months ended March 31, 2021 and 2020, the Company recognized the following changes to this instrument:

	2021	2020
Balance as at January 1,	$ -	$ 1,110
Net unrealized (gains) losses on derivatives at FVPL	$ -	$ (69)
Balance as at March 31,	**$ -**	**$ 1,041**

The significant unobservable inputs utilized in the estimation of the fair value of the embedded derivative primarily relate to the probability of occurrence of certain financing events as defined within the debt arrangement and estimates and judgments around the estimated forward and spot prices of the convertible shares.

There were no transfers into or out of Level 1, Level 2, or Level 3 during the three months ended March 31, 2021 and 2020.

Note 14 - Risk Management

The Company's financial risk management strategy focused on creating and marketing a viable software product for sale and distribution and minimizing the cash flow impacts of volatility in interest rates, while maintaining the financial flexibility the Company required in order to successfully execute its business strategies.

Due to the Company's capital structure and the nature of the Company's operations, the Company is exposed to the following financial risks: (i) market risk, including interest rate risk and foreign exchange risk; (ii) credit risk; and (iii) liquidity and capital management risk.

14.1 Market risk

(i) Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments held by the Company and that are subject to variable rates will fluctuate, or the cash flows associated with such instruments will be impacted due to changes in market interest rates. During 2020, the Company's interest rate risk arose principally from its Term Note. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash and cash equivalents deposits (including short-term investments) earning interest at variable interest rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

Interest rate sensitivity: risks associated with variable-rate financial instruments

The Company was exposed to changes in interest rates on the Company's indebtedness under the Term Note. The Term Note was repaid in November 2020.

(ii) Foreign exchange risk

The Company has minimal risk attributable to certain U.S. dollar-denominated transactions pertaining to purchases of products and services. 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 March 31, 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. A hypothetical 10% strengthening (weakening) of the U.S. dollar in relation to the Canadian dollar from March 31, 2021 levels would have had an immaterial impact on net loss.

14.2 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 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 13 — Financial Instruments. The Company did not hold any collateral as security as at March 31, 2021 and 2020.

Credit risk related to transactions with financial institutions

Credit risk with financial institutions was managed by the Company's finance department. Management was not aware of any significant risks associated with financial institutions as a result of cash and cash equivalents deposits, including short-term investments.

Credit risks related to customer trade receivables

The Company's customer base consisted of two primary customers, one of which represented approximately 99% of revenue for both the three months ended March 31, 2021 and 2020. Payment terms varied, and credit limits were typically established based on internal or external rating criteria, which take into account such factors as the customer's financial condition, credit history, and risk associated with their industry segment. The high concentration of the Company's customer base represents the totality of its trade receivables, this necessitates the active monitoring and management of the outstanding receivables from customers by the Company. Historically, the Company has an extremely low level of customer default as a result of its historical experience with the Company's customer base and an active credit monitoring function. Collateral is generally not required to be posted by the Company's customers.

14.3 Liquidity and capital management risk

The capital structure of the Company included shareholders' equity (deficit) and borrowings. Management's overriding objectives when managing capital are to have sufficient liquidity to meet its 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 anticipated investing and financing activities. As at March 31, 2021, the Company was not subject to any externally imposed capital requirements.

Note 15 - Commitments

Capital expenditure and purchase commitments

As at March 31, 2021 and 2020, the Company had no future commitments for purchases of property and equipment and intangible assets.

Marketing and distribution agreement

The Company's marketing and distribution agreement with a third party requires the Company to pay a commission on certain revenue-generating contracts.

Note 16 - Related Party Transactions

Balances from related party transactions as at March 31, 2021 and 2020 are as follows:

	March 31, 2021	March 31, 2020
Advance to a shareholder	$ -	$ 10
Advances due to related parties	$ -	$ 1,625

Advance to a shareholder

The Company loaned $10 to a certain shareholder bearing interest at 1% annually and maturing on March 31, 2022. This advance was written off during the third quarter of 2020.

Advances due to related parties

Prior to the RTO, the Company received short-term, interest free advances from certain shareholders to cover short term liquidity needs. As at March 31, 2021 and March 31, 2020, advances due to related parties totaled $0 and $1,625 respectively. The Company reimbursed all non-interest-bearing advances from shareholders, upon completion of the RTO.

Refer to Note 11 – Borrowings for information on the guarantee of repayment on the Term Note provided by a shareholder.

Related party agreements

In June 2020, the Company entered into an agreement with a related party for the services of their CFO. In the first quarter of 2021, total expenses related to the services of the CFO were $48.

The Company entered into an agreement with a related party, which held the exclusive Canadian rights to a leading third party technology required for the development of their virtual care solution.

In connection with the RTO, the Company entered into a Registration Rights Agreement and an Investors Rights Agreement with a related party who, at closing of the RTO, beneficially owned or had control or direction over 16,702,334 common shares of the Company and principal warrants to acquire an additional 2,974,740 common shares of the Company, representing approximately 53.6% of the issued and outstanding common shares of the Company on a non-diluted basis (and approximately 40.6% on a fully-diluted basis.

Note 17 - Reverse Takeover Transaction

Reverse Takeover Transaction

On October 1, 2020, the Company (then known as Pike) completed a business combination with Carebook 2020 involving a three-cornered amalgamation (the "Amalgamation") of the Company (then known as Pike), Carebook 2020, and Subco, a wholly-owned subsidiary of Pike incorporated under the *Canada Business Corporations Act* for the sole purpose of effecting the Amalgamation.

The business combination resulted in, among other things,

(i) the reverse takeover of the Company by the former securityholders of Carebook 2020,
(ii) the Company changing its name to "Carebook Technologies Inc.",

(iii) the entity resulting from the Amalgamation becoming a wholly-owned subsidiary of the Company, and
(iv) the listing of the Company's common shares on the TSXV.

These transactions are collectively referred to as the "RTO".

The common shares of the Company began trading on the TSXV on October 6, 2020 under the symbol "CRBK".

Private Placement

In connection with the RTO, Carebook 2020 secured private placement financings for aggregate gross proceeds of $21,000 comprised of: (i) the issuance of 6,932,000 subscription receipts of Carebook 2020 ("Carebook Subscription Receipts") at a price of $2.50 per Carebook Subscription Receipt for aggregate gross proceeds of $17,330, which offering was completed on August 7, 2020, (ii) the issuance of 400,000 units of Carebook 2020 ("Carebook Units") to certain members of Carebook 2020 management or affiliates thereof at a price of $2.50 per Carebook Unit for aggregate gross proceeds of $1,000, which subscriptions were completed concurrently with the closing of the RTO, and (iii) the issuance of 1,068,000 Carebook Units to certain arm's length investors at a price of $2.50 per Carebook Unit for aggregate gross proceeds of $2,670 which subscriptions were completed concurrently with the closing of the RTO. As part of the Amalgamation, each Carebook Subscription Receipt and each Carebook Unit was exchanged for one common share of the Company and one half of one warrant entitling the holder thereof to acquire a common share of the Company.

The Secondary Portion

In connection with the RTO, Carebook 2020 completed an internal reorganization, whereby certain holders of Carebook 2020 Common Shares exchanged their Carebook 2020 Common Shares for Carebook Redeemable Shares, which were, in accordance with the Amalgamation, exchanged for Amalco Redeemable Shares, which were then subsequently redeemed by Amalco as a means to enable such Carebook Shareholders to achieve liquidity on a portion of their shareholdings of Carebook. All holders of Carebook 2020 Common Shares were provided with an opportunity to participate in the Secondary Portion (the Secondary) on a pro rata basis based on their respective shareholdings, as provided for in the Carebook shareholders' agreement.

Pursuant to the amalgamation agreement governing the Amalgamation, each Amalco Redeemable Share was automatically redeemed by Amalco at a redemption price of $1.00 per Amalco Redeemable Share, payment of which was satisfied on October 2, 2020 by Amalco using $5,330 of the proceeds from the private placements described above.

Reverse acquisition of Pike Mountain Minerals Inc. by Carebook

As described above, on October 1, 2020, the former security holders of Carebook 2020 acquired control of the Company by way of the RTO.

The RTO was a reverse acquisition of the Company by the former security holders of Carebook 2020. Since Pike's operations did not meet the definition of a business under IFRS 3, the RTO did not qualify as a business combination and was accounted for under IFRS 2.

The reverse acquisition costs and associated RTO transaction costs were expensed in the condensed consolidated statements of loss and comprehensive loss for the year ended December 31, 2020.

Trading on Frankfurt Stock Exchange

Carebook began trading on the Frankfurt Stock Exchange (the "XETR") under the symbol "PMM1" in October 2020.

Trading on OTC Market

In December 2020, Carebook began trading on the OTC Market under the symbol "CRBKF". As of March 2021, the Company's common shares are eligible for electronic clearing and settlement through The Depository Trust Company ("DTC") in the United States.

Note 18 - Amalgamation

Amalgamation of Carebook Entities

On January 1, 2021, the following companies were amalgamated under the *Business Corporations Act* (British Columbia):

- The Company
- Carebook 2020
- Carebook Technologies (OPS) Inc. (a wholly owned subsidiary of Carebook 2020)

The amalgamated entity resulting from this amalgamation retained the name Carebook Technologies Inc.

Note 19 - Subsequent Events

Debt Financing

On April 6, 2021 Carebook secured the following credit facilities from a leading Canadian Schedule 1 bank and one of its affiliates (together, the "Lenders"):

- $7,000 revolving term facility (the "Revolving Facility"); and
- $4,000 non-revolving term loan facility (the "Term Loan Facility", and together, the "Credit Facilities").

Under the conditions of the agreement governing the Credit Facilities (the "Credit Agreement"), the Revolving Facility will be available for a one year committed term, renewable annually, and bears interest at CDOR plus a variable margin for Canadian variable rate loans. The initial margin will be 8.0% and will be reduced to 4.50% after completion of certain milestones, and further reduced to 3.25% from completion of an offering of Carebook shares of up to $11,000 (the "Offering"), or a lesser amount depending on certain events. The Revolving Facility is 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 amount available under the Revolving Facility will be decreased to $4,000 upon the earlier of: (i) August 6, 2021 and (ii) completion of the Offering.

The Term Loan Facility will mature on April 6, 2022 and bears interest at CDOR plus a margin of 4.50% for Canadian variable rate loans and was drawn to complete the acquisition of InfoTech (as defined below). 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. In connection with the Credit Facilities, Carebook has issued the Lenders 417,646 warrants to purchase common shares. Each such warrant will entitle the Lenders to purchase, on or before April 6, 2022, one Carebook Share at an exercise price of C$1.22. The warrants, and the Carebook Shares issuable upon exercise of the warrants, will be subject to a restriction on resale for a period of 4 months and 1 day following the issuance of the warrants. These warrants were approved by the TSXV and issued on May 6, 2021.

In addition to financing the acquisition of InfoTech, Carebook plans to use the proceeds of the Credit Facilities to finance the working capital needs and for general corporate purposes of the Company.

Acquisition of InfoTech Inc. (Employer Vertical):

On November 11, 2020, Carebook announced that it had entered into a letter of intent for the acquisition of InfoTech Inc. ("InfoTech"), an industry-leading B2B enterprise Software-as-a-Service (SaaS) company.

On April 6, 2021 Carebook completed its acquisition of InfoTech. The aggregate purchase price for the acquisition is $14,000 on a cash free and debt free basis, consisting of a combination of:

- A cash payment of $9,000 (subject to customary post-closing adjustments and a holdback to secure against potential post-closing indemnification claims); and
- Issuance at closing of $5,000 worth of common shares of the Company at a price of C$1.21 per share. This represents a total of 4,132,232 common shares.

The combined three-month revenue of Carebook's and InfoTech's operations would have been approximately $1.8 million as at March 31, 2021.