Vitalhub Corp.

Unaudited Interim Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

Vitalhub Corp.

For the three and six months ended June 30, 2025 and 2024

(Unaudited)

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Vitalhub Corp.
Interim Condensed Consolidated Statements of Financial Position
As at June 30, 2025 and December 31, 2024
(Unaudited)
(In Canadian dollars)

	June 30, 2025	December 31, 2024
	$	$
Assets		
Current assets		
Cash and cash equivalents	**94,008,665**	56,574,904
Accounts receivable, net of expected credit loss (Note 5)	**22,202,775**	16,291,325
Inventory	**597,475**	239,589
Prepaid expenses	**4,496,717**	2,442,549
	121,305,632	75,548,367
Non-current assets		
Prepaid expenses	**1,339,881**	1,092,558
Loan receivable (Note 4 (e))	**1,258,758**	-
Property and equipment (Note 6)	**1,146,044**	1,374,467
Intangible assets (Note 7)	**60,988,158**	52,190,401
Right-of-use assets	**521,087**	578,205
Goodwill (Note 8)	**90,241,226**	76,981,264
Deferred tax asset	**456,910**	433,344
	277,257,696	208,198,606
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	**16,656,050**	12,490,720
Credit facility (Note 10)	**15,000,000**	-
Contingent consideration (Note 11)	**1,558,274**	1,618,982
Income taxes payable	**4,365,836**	2,433,927
Lease liabilities	**348,513**	300,726
Deferred revenue	**38,194,423**	28,672,097
	76,123,096	45,516,452
Long-term liabilities		
Lease liabilities	**246,336**	308,033
Deferred revenue	**7,108,866**	6,963,905
Deferred tax liability	**11,454,079**	10,552,284
	94,932,377	63,340,674
Shareholders' equity		
Share capital (Note 12)	**167,748,915**	134,332,005
Share-based payment reserve (Note 12 (c))	**6,929,326**	6,017,775
Deferred share units payment reserve (Note 12 (d))	**441,060**	351,060
Accumulated other comprehensive income	**4,718,049**	4,602,812
Retained earnings (deficit)	**2,487,969**	(445,720)
	182,325,319	144,857,932
	277,257,696	208,198,606

Approved by the Board

(Signed) Dan Matlow Director

(Signed) Barry Tissenbaum Director

Vitalhub Corp.

Interim Condensed Consolidated Statements of Operations and Comprehensive Income

For the three and six months ended June 30, 2025 and 2024

(Unaudited)

(In Canadian dollars)

	Three months ended June 30, 2025	Three months ended June 30, 2024	**Six months ended June 30, 2025**	Six months ended June 30, 2024
	$	$	**$**	$
Revenue				
Term licences, maintenance and support	**19,894,544**	13,039,369	**38,238,110**	25,504,431
Virtual care term license	**324,477**	-	**324,477**	-
Perpetual licences	**965,281**	22,231	**1,122,464**	144,002
Services	**2,606,119**	3,071,838	**5,506,633**	5,631,877
Hardware	**51,342**	93,463	**297,252**	193,047
Other	**15,785**	10,704	**43,578**	21,039
Total revenue	**23,857,548**	16,237,605	**45,532,514**	31,494,396
Cost of sales	**4,499,328**	3,068,801	**8,730,001**	6,042,493
Gross profit	**19,358,220**	13,168,804	**36,802,513**	25,451,903
Expenses				
General and administrative	**4,677,904**	3,260,964	**9,948,653**	6,452,821
Sales and marketing	**2,695,935**	1,821,834	**4,724,947**	3,518,298
Research and development	**6,033,028**	3,675,359	**11,253,211**	7,093,481
Depreciation of property and equipment (Note 6)	**250,861**	81,174	**392,938**	159,004
Depreciation of right-of-use assets	**105,499**	111,245	**225,395**	218,007
Share-based compensation (Note 12 (c))	**644,811**	675,674	**1,410,211**	1,024,253
Deferred share-based compensation (Note 12 (d))	**90,000**	-	**90,000**	-
Foreign currency loss (gain)	**(353,294)**	216,662	**(1,047,701)**	148,386
	14,144,744	9,842,912	**26,997,654**	18,614,250
Income before other expenses	**5,213,476**	3,325,892	**9,804,859**	6,837,653
Other expenses				
Amortization of intangible assets (Note 7)	**1,437,740**	1,114,299	**3,359,134**	2,220,841
Business acquisition, restructuring and integration costs (Note 4)	**1,970,153**	1,199,964	**3,433,567**	1,797,301
Loss on change in fair value of contingent consideration (Note 11)	**-**	345,895	**235,498**	345,895
Interest income (net of interest expense)	**(462,564)**	(729,595)	**(997,873)**	(914,402)
Interest expense from lease liabilities	**12,921**	11,724	**27,824**	25,518
Loss on disposal of property and equipment (Note 6)	**-**	-	**4,070**	-
	2,958,250	1,942,287	**6,062,220**	3,475,153
Income before income taxes	**2,255,226**	1,383,605	**3,742,639**	3,362,500
Provision for income taxes				
Current	**1,314,216**	1,104,173	**2,864,304**	1,906,093
Deferred	**(831,207)**	614,485	**(2,055,354)**	472,994
	483,009	1,718,658	**808,950**	2,379,087
Net income	**1,772,217**	(335,053)	**2,933,689**	983,413
Other comprehensive income				
Foreign currency translation profit (loss)	**(585,219)**	1,054,630	**115,237**	1,429,569
Comprehensive income	**1,186,998**	719,577	**3,048,926**	2,412,982
Income per share				
Basic	**0.03**	(0.01)	**0.05**	0.03
Diluted	**0.03**	(0.01)	**0.05**	0.03
Weighted average number of shares outstanding				
Basic	**55,852,045**	49,965,234	**55,660,935**	46,907,404
Diluted	**57,910,705**	51,243,050	**57,719,595**	48,132,452

Vitalhub Corp.
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
For the six months ended June 30, 2025 and 2024
(Unaudited)
(In Canadian dollars)

	Number of common shares	Share capital	Share-based payment reserve	Deferred share units payment reserve	Accumulated other comprehensive income (loss)	Retained earnings (Deficit)	Total shareholders' equity
	#	$	$	$	$	$	$
Balance, December 31, 2023	43,712,411	79,961,588	4,895,066	351,060	143,292	(3,444,764)	81,906,242
Shares issued from financing (Note 12 (b)i))	6,709,000	37,509,221	-	-	-	-	37,509,221
Stock options exercised (Note 12 (c))	431,669	1,901,644	(741,403)	-	-	-	1,160,241
Share-based compensation (Note 12 (c))	-	-	1,024,253	-	-	-	1,024,253
Net income and comprehensive income for the period	-	-	-	-	1,429,569	983,413	2,412,982
Balance, June 30, 2024	**50,853,080**	**119,372,453**	**5,177,916**	**351,060**	**1,572,861**	**(2,461,351)**	**124,012,939**
Balance, December 31, 2024	**52,619,817**	**134,332,005**	**6,017,775**	**351,060**	**4,602,812**	**(445,720)**	**144,857,932**
Shares issued from financing (Note 12 (b)ii))	3,165,145	32,196,900	-	-	-	-	32,196,900
Stock options exercised (Note 12 (c))	297,500	1,220,010	(498,660)	-	-	-	721,350
Share-based compensation (Note 12 (c))	-	-	1,410,211	90,000	-	-	1,500,211
Net income and comprehensive income for the period	-	-	-	-	115,237	2,933,689	3,048,926
Balance, June 30, 2025	**56,082,462**	**167,748,915**	**6,929,326**	**441,060**	**4,718,049**	**2,487,969**	**182,325,319**

Vitalhub Corp.
Interim Condensed Consolidated Statements of Cash Flows
For the six months ended June 30, 2025 and 2024
(Unaudited)
(In Canadian dollars)

	Six months ended June 30, 2025	Six months ended June 30, 2024
	$	$
Operating activities		
Net income	**2,933,689**	983,413
Adjustments for:		
Depreciation of property and equipment (Note 6)	**392,938**	159,004
Depreciation of right-of-use assets	**225,395**	218,007
Amortization of intangible assets (Note 7)	**3,359,134**	2,220,841
Unrealized foreign exchange (gain) loss	**(1,047,701)**	148,386
Loss on disposal of property and equipment (Note 6)	**4,070**	-
Change in fair value of contingent consideration (Note 11)	**235,498**	345,895
Interest expense from lease liabilities	**27,824**	25,518
Share-based compensation (Note 12 (c))	**1,410,211**	1,024,253
Deferred share-based compensation (Note 12 (d))	**90,000**	-
Changes in working capital		
Accounts receivable, net of expected credit loss	**138,057**	(10,837,859)
Inventory	**(357,886)**	(27,234)
Prepaid expenses	**(1,913,708)**	(377,468)
Deferred tax asset	**(23,566)**	37,443
Accounts payable and accrued liabilities	**(942,259)**	2,855,459
Deferred revenue	**660,439**	8,054,922
Income taxes payable	**1,931,909**	1,928,442
Deferred tax liability	**(1,863,530)**	(597,851)
	5,260,514	6,161,171
Investing activities		
Purchase of property and equipment (Note 6)	**(157,416)**	(258,769)
Acquisition of Induction Healthcare Group Limited (net of cash acquired) (Note 4 (e))	**(14,500,538)**	-
Acquisition of Bookwise Solutions Limited (net of cash acquired) (Note 4 (a))	**-**	(2,683,693)
Acquisition of Premier I.T. Partnership Limited (net of cash acquired) (Note 4 (b))	**-**	(3,583,916)
Payments of contingent consideration (Note 11)	**(297,391)**	(1,062,327)
	(14,955,345)	(7,588,705)
Financing activities		
Proceeds from credit facility (Note 10)	**15,000,000**	-
Proceeds from issuance of shares - net of issuance costs (Note 12 (b)ii))	**32,196,900**	37,509,221
Principal payments on lease liabilities	**8,363**	(231,974)
Proceeds from exercise of options (Note 12 (c))	**721,350**	1,160,241
	47,926,613	38,437,488
Effect of foreign exchange rate changes on cash and cash equivalents	**(798,021)**	1,080,516
Increase in cash and cash equivalents	**37,433,761**	38,090,470
Cash and cash equivalents, beginning of the period	**56,574,904**	33,480,018
Cash and cash equivalents, end of the period	**94,008,665**	71,570,488

(In Canadian dollars, unless otherwise stated)

1. Description of business

Vitalhub Corp. and its subsidiaries (the "Company") provide technology to Health and Human Service providers including; Hospitals, Regional Health Authorities, Mental Health, Long-Term Care, Home Health, Community and Social Services. The Company's solutions span the categories of Electronic Health Records (EHR), Case Management, Care Coordination, Patient Flow, Operational Visibility, Workforce Automation and Mobile Apps.

The Company's shares trade on the TSX under the symbol "VHI". The Company is incorporated and domiciled in Canada. The address of the Company's registered office is 480 University Avenue, Suite 1001, Toronto, Ontario, M5G 1V2.

These unaudited interim condensed consolidated financial statements comprise the Company and its subsidiaries (Note 17).

2. Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"). These unaudited interim condensed consolidated financial statements are presented in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The disclosures contained in these unaudited interim condensed consolidated financial statements do not contain all requirements of IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on August 7, 2025.

3. Summary of material accounting policies

The accounting policies applied in these unaudited interim condensed consolidated financial statements are consistent with those disclosed in Note 3 to the annual consolidated financial statements for the year ended December 31, 2024.

4. Business acquisitions

The Company's acquisitions serve to expand and broaden the suite of service offerings, add key customers and realize synergies by removing redundancies. Goodwill is primarily related to future earnings, cash flow and the assembled workforce.

a) Acquisition of BookWise Solutions Limited

On February 2, 2024, the Company acquired all of the issued and outstanding shares of BookWise Solutions Limited ("BookWise"). BookWise is a UK-based company, which offers specialist scheduling software for healthcare and corporate organizations ranging from general room booking software to more specialist scheduling systems.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired.

Consideration	**$**
Cash consideration on closing	4,811,641
Cash held in escrow	537,686
	5,349,327
Purchase price allocation	
Cash and cash equivalents	2,665,634
Accounts receivable, net of expected credit loss	254,874
Prepaid expenses	21,049
Property and equipment	13,152
Right-of-use assets	81,112
Accounts payable and accrued liabilities	(164,419)
Deferred revenue	(587,306)
Lease liabilities	(79,851)
Income taxes payable	(63,474)
Deferred tax liability	(693,721)
Acquired technology	256,041
Customer relationships	1,911,773
Brand	114,365
Goodwill	1,620,098
	5,349,327

During the three and six months ended June 30, 2025, the Company incurred $12,700 and $54,494 in acquisition, restructuring and integration costs with this acquisition (three and six months ended June 30, 2024 - $224,181 and $535,336). These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income.

(In Canadian dollars, unless otherwise stated)

4. Business acquisitions (continued)

b) Acquisition of Premier I.T. Partnership Limited

On June 7, 2024, the Company acquired all of the issued and outstanding shares of Premier I.T. Partnership Limited ("Premier"). Premier is a UK-based company, which offers market-leading workforce planning, development and performance solutions for the healthcare sector.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired.

Consideration	**$**
Cash consideration on closing	3,307,072
Cash held in escrow	470,541
Fair value of contingent consideration	175
	3,777,788
Purchase price allocation	
Cash and cash equivalents	193,697
Accounts receivable, net of expected credit loss	306,970
Prepaid expenses	8,602
Accounts payable and accrued liabilities	(409,245)
Deferred revenue	(1,986,024)
Deferred tax asset	365,495
Acquired technology	455,221
Customer relationships	2,626,275
Brand	120,809
Goodwill	2,095,988
	3,777,788

During the three and six months ended June 30, 2025, the Company incurred $149,745 and $131,238 in acquisition, restructuring and integration costs with this acquisition (three and six months ended June 30, 2024 - $310,279 and $310,279). These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income.

c) Acquisition of MedCurrent Corporation

On October 4, 2024, the Company acquired all of the issued and outstanding shares of MedCurrent Corporation and its subsidiaries ("MedCurrent"). MedCurrent is a physician-founded Clinical Decision Support company that is primarily focused on improving appropriateness of orders for medical imaging tests.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired. In accordance with IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination. Accordingly, the accounting for the MedCurrent acquisition has been completed using provisional amounts within these unaudited interim condensed consolidated financial statements.

Consideration	**$**
Cash consideration on closing	7,348,662
Cash held in escrow	1,199,632
	8,548,294
Purchase price allocation	
Cash and cash equivalents	4,044,884
Accounts receivable, net of expected credit loss	53,807
Prepaid expenses	1,819,085
Property and equipment	5,310
Accounts payable and accrued liabilities	(228,988)
Deferred revenue	(6,018,147)
Income taxes payable	10,176
Deferred tax liability	(671,632)
Acquired technology	760,000
Customer relationships	2,790,000
Brand	410,000
Goodwill	5,573,799
	8,548,294

During the three and six months ended June 30, 2025, the Company incurred $211,402 and $664,251 in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income.

(In Canadian dollars, unless otherwise stated)

4. Business acquisitions (continued)

d) Acquisition of Strata Health Solutions Inc.

On October 29, 2024, the Company acquired all of the issued and outstanding shares of Strata Health Solutions Inc. and its subsidiaries ("Strata Health"). Strata Health designs, builds, and deploys software that improves access and navigation to care.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired. In accordance with IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination. Accordingly, the accounting for the Strata acquisition was completed using provisional amounts within these unaudited interim condensed consolidated financial statements. The Company has retrospectively adjusted the provisional amounts of cash consideration on closing (increased by $1,473), cash held in escrow (decreased by $304,939), contingent consideration (increased by $1,170,000), deferred tax liability (decreased by $158,000), intangible assets (increased by $599,369), and goodwill (increased by $109,164) at the acquisition date of October 29, 2024. Comparative information from the prior year ended December 31, 2024 has been re-stated in accordance with IFRS 3 - Business Combinations.

Consideration	**$**
Cash consideration on closing	17,649,135
Cash held in escrow	695,061
Issued shares (1,480,726 shares issued at $9.25/share)	13,696,716
Fair value of contingent consideration	1,245,000
	33,285,912
Purchase price allocation	
Cash and cash equivalents	1,005,909
Accounts receivable, net of expected credit loss	2,082,830
Prepaid expenses	487,608
Property and equipment	114,236
Accounts payable and accrued liabilities	(1,893,546)
Deferred revenue	(2,107,600)
Income taxes payable	(230,120)
Deferred tax liability	(4,160,782)
Lease liabilities	(26,656)
Acquired technology	2,143,414
Customer relationships	14,279,071
Brand	1,076,884
Goodwill	20,514,664
	33,285,912

The Company has a contingent consideration in the amount of $1,245,000 payable over a three-year period after closing and is contingent upon meeting certain revenue targets.

During the three and six months ended June 30, 2025, the Company incurred $692,287 and $786,693 in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income.

e) Acquisition of Induction Healthcare Group Limited

On June 18, 2025, the Company acquired all of the issued and outstanding shares of Induction Healthcare Group Limited and its subsidiaries ("Induction"). Induction delivers a suite of software solutions that transforms care delivery and the patient journey through hospitals.

The following table summarizes the fair value of consideration paid on the acquisition date and the allocation of the purchase price to the assets and liabilities acquired. In accordance with IFRS, the Company has up to one year following the acquisition date to finalize the accounting for a business combination. Accordingly, the accounting for the Induction acquisition has been completed using provisional amounts within these unaudited interim condensed consolidated financial statements.

The loan receivable is a secured convertible note related to the divestment of a subsidiary by Induction in 2024.

Consideration	**$**
Cash consideration on closing	17,564,005
	17,564,005
Purchase price allocation	
Cash and cash equivalents	3,063,467
Accounts receivable, net of expected credit loss	6,049,507
Prepaid expenses	387,783
Loan receivable	1,229,153
Accounts payable and accrued liabilities	(5,107,589)
Deferred revenue	(9,006,848)
Deferred tax liability	(2,765,325)
Acquired technology	3,717,698
Customer relationships	5,966,675
Brand	1,376,925
Goodwill	12,652,559
	17,564,005

From the date of acquisition to June 30, 2025, the Company incurred $685,113 in acquisition, restructuring and integration costs with this acquisition. These costs are included and separately disclosed in the unaudited interim condensed consolidated statements of operations and comprehensive income.

(In Canadian dollars, unless otherwise stated)

5. Accounts receivable, net of expected credit loss

	June 30, 2025	December 31, 2024
	$	$
Trade accounts receivable	**16,899,766**	15,125,942
Other receivables	**5,917,059**	1,609,831
	22,816,825	16,735,773
Expected credit loss provision	**(614,050)**	(444,448)
Net carrying value	**22,202,775**	16,291,325

6. Property and equipment

	Computer hardware	**Computer software**	**Furniture & fixtures**	**Leasehold improvements**	**Total**
Cost	$	$	$	$	$
Balance, December 31, 2023	1,096,103	-	311,308	126,614	1,534,025
Acquisitions (Note 4)	55,936	67,989	8,058	715	132,698
Additions	850,816	-	10,981	21,922	883,719
Disposals	(6,956)	-	-	-	(6,956)
Effect of movements in exchange rates	103,452	41,494	17,810	20,215	182,971
Balance, December 31, 2024	**2,099,351**	**109,483**	**348,157**	**169,466**	**2,726,457**
Additions	150,058	-	3,508	3,850	157,416
Disposals	(2,528)	-	(2,834)	-	(5,362)
Effect of movements in exchange rates	60,769.00	(6,023)	9,242	1,104	65,092
Balance, June 30, 2025	**2,307,650**	**103,460**	**358,073**	**174,420**	**2,943,603**
Accumulated depreciation					
Balance, December 31, 2023	574,120	-	240,929	75,533	890,582
Depreciation expense	317,215	8,323	26,132	24,168	375,838
Disposals	(6,956)	-	-	-	(6,956)
Effect of movements in exchange rates	46,705	41,398	12,353	(7,930)	92,526
Balance, December 31, 2024	**931,084**	**49,721**	**279,414**	**91,771**	**1,351,990**
Depreciation expense	329,778	-	47,608	15,552	392,938
Disposals	(355)	-	(937)	-	(1,292)
Effect of movements in exchange rates	26,700	12,847	8,663	5,713	53,923
Balance, June 30, 2025	**1,287,207**	**62,568**	**334,748**	**113,036**	**1,797,559**
Net book value as at:					
December 31, 2024	1,168,267	59,762	68,743	77,695	1,374,467
June 30, 2025	**1,020,443**	**40,892**	**23,325**	**61,384**	**1,146,044**

7. Intangible assets

	Acquired technologies	**Customer relationships**	**Brands**	**Training videos**	**Total**
Cost	$	$	$	$	$
Balance, December 31, 2023	7,268,544	34,153,633	1,957,543	166,977	43,546,697
Acquisitions (Note 4)	3,614,676	21,607,119	1,722,058	-	26,943,853
Effect of movements in exchange rates	378,601	1,587,616	100,407	11,636	2,078,260
Balance, December 31, 2024	**11,261,821**	**57,348,368**	**3,780,008**	**178,613**	**72,568,810**
Acquisitions (Note 4)	3,717,698	5,966,675	1,376,925	-	11,061,298
Effect of movements in exchange rates	311,615	1,143,167	91,601	6,825	1,553,208
Balance, June 30, 2025	**15,291,134**	**64,458,210**	**5,248,534**	**185,438**	**85,183,316**
Accumulated amortization					
Balance, December 31, 2023	3,498,320	10,347,849	679,962	123,404	14,649,535
Amortization expense	1,249,248	3,625,284	248,875	25,611	5,149,018
Effect of movements in exchange rates	162,139	380,967	27,305	9,445	579,856
Balance, December 31, 2024	**4,909,707**	**14,354,100**	**956,142**	**158,460**	**20,378,409**
Amortization expense	774,684	2,401,886	171,904	10,660	3,359,134
Effect of movements in exchange rates	125,144	304,662	21,534	6,275	457,615
Balance, June 30, 2025	**5,809,535**	**17,060,648**	**1,149,580**	**175,395**	**24,195,158**
Net book value as at:					
December 31, 2024	6,352,114	42,994,268	2,823,866	20,153	52,190,401
June 30, 2025	**9,481,599**	**47,397,562**	**4,098,954**	**10,043**	**60,988,158**

(In Canadian dollars, unless otherwise stated)

8. Goodwill

	$
Balance, December 31, 2023	44,858,497
Additions through business combinations (Note 4)	29,804,549
Effect of movements in exchange rates	2,318,218
Balance, December 31, 2024	**76,981,264**
Additions through business combinations (Note 4)	12,652,559
Effect of movements in exchange rates	607,403
Balance, June 30, 2025	**90,241,226**

9. Accounts payable and accrued liabilities

	June 30, 2025	December 31, 2024
	$	$
Trade accounts payable and accrued liabilities	**9,354,086**	6,112,232
Accrued payroll and related compensation	**4,418,820**	4,197,841
Government remittances	**2,771,819**	2,053,974
Royalties payable	**111,325**	126,673
	16,656,050	12,490,720

10. Credit facility

The Company has an agreement with The Bank of Nova Scotia ("Scotia") to provide a $5,000,000 operating credit limit, and a $60,000,000 revolving term facility. Depending on the type of advances, the operating credit limit and revolving term facility, bears interest at Scotia's prime rate/CORRA/SOFR plus an applicable margin.

The facilities are secured by a general security agreement with a first ranking security interest over all property of the Company and guarantees and postponements of claim from the subsidiaries of the Company.

The Company is subject to maintain the following covenants:

i) A Fixed Charge Coverage Ratio (calculated on a trailing 12-month basis that is) of not less than 1.20:1.

ii) Total Funded Debt to Combined EBITDA ratio (calculated on a trailing 12-month basis that is) of less than or equal to 3.75:1.

As at June 30, 2025, the Company is in compliance with all of its covenants. The Company arranged a $15,000,000 loan, which was repaid subsequent to June 30, 2025.

11. Contingent consideration

	$
Balance, December 31, 2023	1,999,974
Additions through business combinations (Note 4)	1,245,175
Payments	(2,086,429)
Change in fair value	331,892
Effect of movements in exchange rates	128,370
Balance, December 31, 2024	**1,618,982**
Payments made	(297,391)
Change in fair value	235,498
Effect of movements in exchange rates	1,185
Balance, June 30, 2025	**1,558,274**

12. Share capital

a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value.

b) Issued share capital

i) On April 11, 2024, the Company completed a bought deal offering under which 6,709,000 common shares were issued at $6.00 per common share for total gross proceeds of $40,254,000. The Company paid agent fees and commissions of $2,485,145 and incurred additional costs of $259,634 relating to professional and advisory services resulting in net proceeds of the bought deal of $37,509,221.

ii) On January 9, 2025, the Company completed a bought deal offering under which 3,165,145 common shares were issued at $10.90 per common share for total gross proceeds of $34,500,080. The Company paid agent fees and commissions of $2,009,204 and incurred additional costs of $293,976 relating to professional and advisory services resulting in net proceeds of the bought deal of $32,196,900.

(In Canadian dollars, unless otherwise stated)

12. Share capital - continued

c) Share-based compensation

A summary of changes in share-based compensation for the six months ended June 30, 2025 and for the year ended December 31, 2024 is as follows:

Measurement date	Number of options	Weighted average exercise price
	#	$
Balance, December 31, 2023	2,946,706	2.48
Granted	1,531,000	7.39
Exercised	(717,680)	2.71
Balance, December 31, 2024	3,760,026	4.45
Granted	235,000	10.15
Exercised	(297,500)	2.42
Forfeited	(24,852)	4.83
Expired	(1,806)	6.29
Balance, June 30, 2025	**3,670,868**	**4.97**

The following tables summarize information about the Company's share options outstanding at June 30, 2025 and December 31, 2024.

	June 30, 2025			December 31, 2024		
Exercise price	**Number of share options outstanding**	**Number of share options exercisable**	**Weighted average remaining contractual life**	Number of share options outstanding	Number of share options exercisable	Weighted average remaining contractual life
$1.50-$3.85	**1,962,368**	**1,795,795**	**2.59**	2,269,026	1,950,544	2.79
$6.21-$8.55	**1,053,500**	**439,047**	**3.74**	1,071,000	-	4.23
$8.56-$10.90	**655,000**	**-**	**4.52**	420,000	-	4.89
	3,670,868	**2,234,842**	**3.27**	3,760,026	1,950,544	3.43

During the six months ended June 30, 2025, 235,000 share options were issued (for the year ended December 31, 2024 - 1,531,000) with a weighted average aggregate value of $725,739 at the date of grant (2024 - $2,575,601) to directors and employees.

The fair value of the share options granted were determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	2025	2024
Share price	**$10.15**	$4.46 - $10.90
Exercise price	**$10.15**	$4.46 - $10.90
Expected volatility	**38%**	37% - 49%
Expected option life	**5 years**	5 years
Expected dividend yield	**-**	-
Expected forfeiture rate	**-**	-
Risk-free interest rate	**2.46%**	3.26% - 4.36%

During the three and six months ended June 30, 2025, the Company recognized stock-based compensation expense of $644,811 and $1,410,211 (three and six months ended June 30, 2024 - $675,674 and $1,024,253).

d) Deferred share units payment reserve

	Number of deferred share units	Weighted average fair value
	#	$
Balance, December 31, 2023	123,414	2.84
Balance, December 31, 2024	**123,414**	**2.84**
Issued	8,869	10.15
Balance, June 30, 2025	**132,283**	**3.33**

During the six months ended June 30, 2025, 8,869 deferred share options were issued (for the year ended December 31, 2024 - $nil) with a weighted average aggregate value of $90,000 at the date of grant to employees.

The fair value of the deferred share units granted to key management for the period ended June 30, 2025 were determined using the share price at the date of grant of $10.15.

During the three and six months ended June 30, 2025, the Company recognized deferred share-based compensation expense of $90,000 (three and six months ended June 30, 2024 - $nil) related to fully vested deferred share units.

(In Canadian dollars, unless otherwise stated)

13. Expenses by nature

	Three months ended June 30, 2025	Three months ended June 30, 2024	**Six months ended June 30, 2025**	Six months ended June 30, 2024
	$	$	**$**	$
Bad debt expense (recovery)	**(11,473)**	-	**204,170**	-
Business acquisition, restructuring and integration costs	**1,970,153**	1,199,964	**3,433,567**	1,797,301
Computer expenses	**658,848**	443,910	**1,540,133**	801,123
Consulting	**1,035,027**	639,624	**1,611,693**	1,541,563
Deferred share-based compensation	**90,000**	-	**90,000**	-
Depreciation and amortization	**1,794,100**	1,306,718	**3,977,467**	2,597,852
Facilities	**185,179**	171,997	**344,525**	301,825
Foreign currency loss (gain)	**(353,294)**	216,662	**(1,047,701)**	148,386
Loss on change in fair value of contingent consideration	**-**	345,895	**235,498**	345,895
Hardware	**28,956**	110,793	**219,756**	202,414
Hosting and software licenses	**2,015,210**	885,278	**3,709,356**	1,648,438
Insurance	**102,808**	70,473	**179,931**	125,472
Interest expense and accretion (net of interest income)	**(449,643)**	(717,871)	**(970,049)**	(888,884)
Investor relations	**-**	41,000	**-**	92,000
Marketing	**289,460**	95,307	**370,837**	175,710
Office and telephone	**23,395**	73,377	**91,225**	124,934
Other	**159,604**	99,672	**352,479**	475,434
Professional fees	**338,455**	409,835	**756,933**	691,393
Recruiting	**13,623**	3,730	**156,562**	9,278
Royalties	**285,186**	65,470	**556,933**	147,063
Salaries, wages and benefits	**12,396,392**	8,461,867	**23,745,749**	16,150,264
Share-based compensation	**644,811**	675,674	**1,410,211**	1,024,253
Transfer agent filing fees	**48,773**	24,662	**133,992**	80,139
Travel	**336,752**	229,963	**686,608**	540,043
	21,602,322	14,854,000	**41,789,875**	28,131,896

14. Key management compensation

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include management executives of the Company and the Board of Directors. Compensation provided to key management and the Board of Directors is as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024	**Six months ended June 30, 2025**	Six months ended June 30, 2024
	$	$	**$**	$
Salaries and short-term employee benefits	**282,393**	277,517	**512,848**	555,033
Directors' fees	**68,750**	65,750	**137,500**	132,500
Consulting	**7,812**	10,605	**11,339**	17,361
Share-based compensation	**149,927**	179,547	**295,748**	143,377
Deferred share-based compensation	**70,015**	-	**70,015**	-
	578,897	533,419	**1,027,450**	848,271

15. Segmented information

The Company has identified one operating segment for its operations related to healthcare information systems in the mental health, long-term care, community health service and hospital sectors. The Company sells into five major geographic regions: Canada, the United States of America ("USA"), the United Kingdom, Australia, and parts of Western Asia. The Company has determined that it has a single reportable segment as the Company's decision makers review information on a consolidated basis.

The revenues in each of these geographic locations for the three and six months ended June 30, 2025 and 2024 are as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024	**Six months ended June 30, 2025**	Six months ended June 30, 2024
	$	$	**$**	$
Canada	**5,867,839**	3,695,387	**12,102,919**	6,904,536
United States	**694,981**	161,348	**1,579,246**	325,190
United Kingdom	**15,317,116**	11,052,765	**28,242,099**	21,449,004
Australia	**1,501,687**	1,028,127	**2,736,659**	2,132,809
Western Asia	**363,973**	177,718	**623,860**	450,426
Rest of the world	**111,952**	122,260	**247,731**	232,431
Total revenues	**23,857,548**	16,237,605	**45,532,514**	31,494,396

(In Canadian dollars, unless otherwise stated)

15. Segmented information (continued)

The total non-current assets in each of these geographic locations as at June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
	$	$
Canada	**52,627,771**	54,040,267
United Kingdom	**82,563,143**	54,380,856
USA	**15,263,851**	16,042,720
Sri Lanka	**717,345**	802,867
Australia	**4,779,954**	7,383,529
Total non-current assets	**155,952,064**	132,650,239

16. Earnings per share

Details of basic earnings per share were as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024	**Six months ended June 30, 2025**	Six months ended June 30, 2024
Net income attributable to shareholders	**1,772,217**	(335,053)	**2,933,689**	983,413
Weighted average number of shares	**55,852,045**	49,965,234	**55,660,935**	46,907,404
Basic earnings per share	**0.03**	(0.01)	**0.05**	0.03

Details of diluted earnings per share were as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024	**Six months ended June 30, 2025**	Six months ended June 30, 2024
Net income attributable to shareholders	**1,772,217**	(335,053.00)	**2,933,689**	983,413
Weighted average number of shares	**55,852,045**	49,965,234	**55,660,935**	46,907,404
Dilutive effect of stock options	**2,058,660**	1,277,816	**2,058,660**	1,225,048
Weighted average number of diluted shares	**57,910,705**	51,243,050	**57,719,595**	48,132,452
Diluted earnings per share	**0.03**	(0.01)	**0.05**	0.03

Excluded from the above calculation is 340,000 options for the three month period ended June 30, 2025 (1,061,000 for the three month period ended June 30, 2024), which were deemed to be anti-dilutive. Excluded from the above calculation is 340,000 options for the six month period ended June 30, 2025 (nil for the six month period ended June 30, 2024), which were deemed to be anti-dilutive.

17. Subsidiaries

The Company's subsidiaries are as follows:

Entity	**County of Incorporation**	**Ownership Interest**
Vitalhub (PVT) Ltd	Sri Lanka	100%
H.I.Next LLC	USA	100%
Vitalhub UK Limited	United Kingdom	100%
S12 Solutions Limited	United Kingdom	100%
Vitalhub Australia PTY Ltd	Australia	100%
Hicom Technology Limited	United Kingdom	100%
Community Data Solutions	Australia	100%
MyPathway Solutions Limited	United Kingdom	100%
Coyote Software Corporation	Canada	100%
BookWise Solutions Limited	United Kingdom	100%
BookWise Solutions Pty Ltd	Australia	100%
Premier I.T. Partnership Limited	United Kingdom	100%
MedCurrent Corporation	Canada	100%
MedCurrent UK Ltd	United Kingdom	100%
Strata Health Solutions Inc.	Canada	100%
Strata Health Limited	United Kingdom	100%
Strata Health (US) Corporation	USA	100%
Strata Silver, LLC	USA	100%
Induction Healthcare Group Limited	United Kingdom	100%
A.C.N. 167 231 307 Pty Ltd	Australia	100%
Attend Anywhere Pty Ltd	Australia	100%
Induction Healthcare Limited (UK)	United Kingdom	100%
Induction Healthcare (UK) Limited	United Kingdom	100%
Induction Healthcare Pty Ltd	Australia	100%
Zesty Limited	United Kingdom	100%

On January 1, 2025, Coyote Software Corporation, a wholly-owned subsidiary of the Company was amalgamated with Vitalhub Corp.

18. Subsequent event

On July 4, 2025, the Company acquired all of the issued and outstanding shares of Novari Health Inc. and its subsidiaries ("Novari"). Novari's platform offers a series of integrated software modules providing referral management, surgical wait list management, central intake, and care coordination. Health systems, hospitals, and regional health authorities leverage Novari's cloud-based technologies to drive down wait times and ensure that the right patients get treated at the right time and by the right provider. Total closing consideration for the acquisition, subject to any post-closing working capital was approximately $35.8 million in cash subject to a $1,000,000 escrow for 120 days, and the issuance of 733,726 common shares of VitalHub. The Company is in the process of gathering information to determine the purchase price allocation related to the net assets acquired.