CareSpan Health Inc.

Management's Discussion and Analysis

As at and for the period ended June 30, 2024

TABLE OF CONTENTS

INTRODUCTION

The following management's discussion and analysis ("**MD&A**") is prepared as of August 28, 2024 and should be read in conjunction with the consolidated financial statements and the related notes thereto for the period ended June 30,2024 (the "**Interim Quarterly Financial Statements**") of CareSpan Health, Inc. (referred to hereinafter as "**CareSpan**", "**we**", "**us**" and "**our**") and its subsidiaries and affiliated companies (together with CareSpan, the "**Company**").

Unless otherwise noted, all financial information in this MD&A is reported in U.S. dollars. The tables and charts included in this document form an integral part of this MD&A.

CareSpan completed a reverse takeover transaction on November 17, 2021, with CareSpan Holdings Inc. and upon completion of the transaction, continued as CareSpan Health, Inc. The common shares of the CareSpan (the "**Common Shares**") are listed under the symbol "**CSPN**" on the TSX Venture Exchange ("**TSX-V**").

This MD&A has been prepared with reference to National Instrument 51-102 – Continuous Disclosure Obligations. Additional information related to the Company is available on SEDAR+ at www.sedarplus.com.

This MD&A includes references to the Company's trademarks and trade names, such as CareSpan, Smart Care, and Clinic-in-the-Cloud, some of which may be protected under applicable intellectual property laws of one or more countries and which CareSpan believes is its property. Solely for convenience, the Company's trademarks referred to in this MD&A may appear without the TM or ® symbols, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion other than statements of historical facts including, without limitation, those that address future events, developments, or transactions that CareSpan's expects, are forward-looking statements. These forward looking statements are made as of the date of this MD&A. Forward-looking statements are frequently, but not always, identified by words such as "expect", "anticipate", "estimate", "may", "could", "might", "will", "would", "should", "intend", "believe", "target", "budget", "plan", "strategy", "goals", "objectives", "predicts"; "potential", "projects", "possible", "milestones", "projection" or the negative of any of these words and similar expressions, although these words may not be present in all forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "Risk Factors" in this MD&A. Although CareSpan has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Forward looking statements contained herein are made as of the date of this MD&A and, other than as required by law, CareSpan disclaims any obligation to update any forward-looking statements, whether because of new information, future events, or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are based on several assumptions, which may prove to be incorrect, including but not limited to the assumptions discussed in this section.

Accordingly, readers should not place undue reliance on forward-looking statements as this MD&A also includes market data and forecasts. Although CareSpan is responsible for all of the disclosure contained in this MD&A, in some cases CareSpan relies on and refers to market data and certain industry forecasts that were obtained from third party surveys, market research, consultant surveys, publicly available information and industry publications and surveys that it believes to be reliable. Unless otherwise indicated, all market and industry data and other statistical information and forecasts contained in this MD&A are based on independent industry publications, reports by market research firms or other published independent sources and other externally obtained data that CareSpan believes to be reliable.

Any such market data, information or forecast may prove to be inaccurate because of the method by which it was obtained or because it cannot always be verified with complete certainty given the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties.

As a result, although CareSpan believes that these sources are reliable, it has not independently verified the information.

NON-IFRS FINANCIAL MEASURES

CareSpan discloses non-IFRS measures (such as adjusted earnings before interest and taxes, deprecation, and amortization, (“**EBITDA**”)) that do not have standardized meanings prescribed by IFRS. CareSpan believes that shareholders, investment analysts and other readers find such measures helpful in understanding the Company’s financial performance. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and may not have been calculated in the same way as similarly named financial measures presented by other reporting issuers and therefore are unlikely to be comparable to similar measures presented by other companies. Furthermore, these non-IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows as prepared in accordance with IFRS. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS.

ADJUSTED EBITDA

CareSpan defines adjusted EBITDA as earnings before interest and taxes. Management believes adjusted EBITDA is a useful supplemental measure to determine CareSpan’s cash burn rate related to operations so investors can understand the cash that is available to operate the business.

OPERATIONS

To date, the Company continues with its business operations, working to build and sustain its providers and practitioners through its affiliations with American Association Practice Network (“**AAPN**”) American MedPsych Network, P.A. (“**American**-**MedPsych**”). The enhanced precautions being taken, and the broader dynamic of the current business environment indicate that there may be some delay in recruiting technical personnel, and lengthened timelines for certain development efforts.

MISSION

The Company operates as a healthcare technology and services company in the United States (the "**U.S.**"). The Company operates Clinic-in-the Cloud, a clinical workflow driven platform that integrates remote patient monitoring, diagnostic tools, patient's electronic health record, care collaboration capabilities, patient engagement, e-prescribing, and lab ordering to support in-person and virtual/telehealth care. It also delivers primary, chronic, and urgent care, as well as behavioral health care services through its platform.

CareSpan's vision is to enable care for the underserved globally. In the U.S., the Company is currently focused on enabling Nurse Practitioners in primary, urgent and chronic care in healthcare shortage areas. With its partnership in Europe, the Company targets enabling care for the fast-growing elderly population and up to February 28, 2024, when we sold our 15% interest in CareSpan Asia Inc. ("**CareSpan Asia**"), the focus was on leveraging the Company's digital platform to provide better access to qualify care for the masses.

Overall Performance

The companies comprising the Company operate as a single business activity and do not have multiple operating segments. The chief executive officer of CareSpan (the "**CEO**") is the Company's chief operating decision maker as defined by IFRS 8 and all significant operating decisions are made by the CEO. As required, the CEO consults and obtains approval from the board of directors of CareSpan (the "**Board of Directors**").

The Company's focus is on underserved areas in the U.S. for primary care and mental health, and the shortage of primary care physicians in many areas of the U.S. Nurse practitioners operate under different state laws and have been allowed to practice primary care independently and/or practice with a collaborating physician. There is a growing trend for states to allow independent practice for nurse practitioners (recent examples are Florida and California).

Due to a decrease in provider network business in 2023 that was not yielding the margin profile initially expected; the Company is pivoting away from some of its prior businesses towards higher margin businesses and strategic realignment to focus to supporting U.S. military contracts involving medical examinations for returning veterans and reservists. This business has high growth potential and is anticipated to yield improved margins overall for CareSpan.

On May 19, 2023, CareSpan announced the signing of a Memorandum of Understanding with ChopraX LLC ("**ChopraX**") to deliver a new integrative care service in the market, utilizing the Company's platform. A definitive agreement between CareSpan and ChopraX was entered on September 12, 2023 (the "Chopra Transaction"). As of the date hereof, the Chopra Transaction did not close, but the Company has been permitted to use the "Chopra" name in its continuing pilot program as outlined in the previous Memorandum of Understanding. As of June 30, 2024, such pilot program is generating a small amount of revenue in this pilot phase with six medical providers.

On November 7, 2023, CareSpan signed a contract for the use of the Company's platform by Golden Care Solutions (a company based in Minnesota), a nationwide network of medical service companies and medical practices that provides turnkey solutions for revenue enhancement, productivity enhancement, and improved outcomes by providing comprehensive preventive services built on Annual Wellness Visits, Remote Patient Monitoring, and Chronic Care Management. Activity with Golden Care Solutions began in early 2024 and generating revenue. Overall, CareSpan expects the market for these comprehensive preventive services to expand, driven by technological advancements, increased chronic disease prevalence, supportive reimbursement policies, and a shift towards preventive healthcare.

The Company's arrangements with a third-party contractor to the Veteran's Administration ("**VA**") to supply services to U.S. veterans was expanded from ex-service members during the first quarter of 2024 to include active-duty members. Activity with this new contract was originally expected to l ramp up in 2024 as part of the pivot to focus on higher margin business and network growth however

While we continue to fulfill our obligations under the contract to provide VA assessments, we have observed a decline in referral volumes from the third-party contractor responsible for administering these services. This reduction may be attributed to recent adjustments in federal budget allocations and contract management strategies. However, with the ongoing implementation of the PACT Act, which expands VA benefits for veterans exposed to toxic substances, we anticipate that the volume of disability assessments could not only return to previous levels but may also experience a surge as the backlog of claims is processed. We are closely monitoring the situation and remain committed to delivering high-quality services to veterans.

On February 28, 2024 the Company entered in an agreement with CareSpan Asia which resulted in the sale of 15% of CareSpan Asia for gross proceeds of $988,475 of which $36,364 was for the shares and the balance for technology sold to the Philippines and certain other southeast Asian countries with a first refusal on other countries except North America and Germany, which resulted in revenue of $729,116 for the sale of the technology, there was also repayment of $133,390 of advances made that had previously been written off in 2022 and payment of $38,475 of services previously provided to CareSpan Asia. VAT taxes were withheld from gross proceeds totaling up to $195,307 that must be applied for refund from the Philippine government under a treaty. The Company used the funds received for working capital.

There are no discontinued operations during the period ended June 30, 2024.

There are no legal or other restrictions on the flow of funds from one part of our business to another except tied to American-APN and American Med Psych, where revenue flows through and limited expenses are allocated to these organizations per contract agreements.

CareSpan controls American-APN and American MedPsych through stock transfer agreements which provide that those shares transferred to a new licensed clinician owner must be approved by CareSpan Integrated Networks Inc ("**CSIN**"). CSIN is legally characterized as a Management Services Organization ("**MSO**") that serves the business needs of "friendly" affiliated professional corporations (i.e., American-APN and American Med Psych). The MSO/friendly arrangement is a common legal organization in the U.S. that complies with corporate practice of medicine ("**CPOM**") regulations.

HISTORY AND BUSINESS

CareSpan Health, Inc. is the successor corporation formed pursuant to a reverse takeover with Dynamo Capital Corp., completed on November 17, 2021.

The registered office of CareSpan in Canada is Royal Centre, 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia V6E 4N7 and in the U.S. is 105 East 34th Street, New York, New York, United States of America.

Domicile of Country	**Place of Incorporation owned or controlled by Subsidiary CareSpan**	**Incorporation Date**	**Percentage of Securities**
CareSpan Holdings, Inc.	Delaware, USA	November 10,2021[(6)]	100%
CareSpan USA, Inc.	Nevada, USA	September 26, 2013	100%
CareSpan International Inc.	Republic of Panama	May 17, 2012	100% (5)
CareSpan Integrated Networks Inc.	Nevada, USA	February 6, 2019	100% / 98%[(1)]
American-Advanced Practice Network, P.C.	Iowa, USA	December 31, 2018	100% (2)
American MedPsych Network, P.A.	Florida, USA	February 20, 2019	100% [(2)(3)(4)]

(1) On June 30, 2024, the Company held 100% voting equity interest and 98% ownership interest in CareSpan Integrated Networks Inc. (December 31, 2023 – 100% voting equity interest and 98% ownership interest). The Class B non-voting equity common shares of CareSpan Integrated Networks are held entirely by officers and employees of the Company and key contributing provider-members of American-APN and American MedPsych.

(2) CareSpan does not legally own shares AAPN or American-MedPsych as these are professional corporations which cannot have lay ownership. Shares of American-APN can only be owned by a Nurse Practitioner.

(3) CareSpan controls American-APN and American MedPsych through stock transfer agreements which provide that those shares transferred to a new licensed clinician owner must be approved by CareSpan Integrated Networks Inc. CSIN is legally characterized as an MSO that serves the business needs of "friendly" affiliated professional corporations (American-APN and American-MedPsych). The MSO/friendly arrangement is a common legal organization in the US that complies with CPOM regulations.

(4) On February 26, 2021, CareSpan MedPsych Network, P.A. amended its name to American MedPsych Network, P.A.

(5) CareSpan International Inc. is dormant.

(6) CareSpan Holdings, Inc. is the successor corporation formed pursuant to separate amalgamations in 2010 and 2012, and on May 7, 2021, was re-domiciled under the laws of the State of Delaware, United States of America pursuant to the provisions of Section 388 of the General Corporation Law of the State of Delaware (GDCL).

The Company is a health care technology and service company. CareSpan proprietary CareSpan® Clinic is a clinical workflow-driven platform designed by doctors, nurses and experienced healthcare software developers that integrates remote patient monitoring, diagnostic tools, patient electronic health records ("**EHR**"), care collaboration capabilities, patient engagement, e-prescribing, and lab ordering.

The Company's platform seamlessly supports both in-person and virtual/telehealth care. The Company is using this platform, combined with essential business services, to build provider networks across the United States that deliver primary and urgent care, as well as behavioural health care.

CareSpan Health, Inc. is the Company's Canadian parent company. CareSpan Health, Inc. oversees the technology enabled medical care delivery organization dedicated to improving individual health care outcomes by aggregating dedicated clinicians, provides essential business infrastructure and supplies a cloud-based integrated digital care platform—the CareSpan® Clinic, a "clinic in the cloud". The CareSpan Clinic facilitates an improved quality of clinical care while removing geographical barriers to access and systematically lowers healthcare costs.

CareSpan Holdings Inc. is the US-based company that oversees two CareSpan Holdings subsidiaries and two contractually bound affiliated national professional “company practices without walls”.

CareSpan USA, Inc. (Nevada) is the technology development and licensing subsidiary.

CareSpan Integrated Networks, Inc. (Nevada) is the management services organization supporting the affiliated Company practice providers.

American Advanced Practice Networks, PC, is the affiliated national nurse practitioner company which focus on delivering primary care by utilizing the CareSpan Clinic in the Cloud™ platform.

American MedPsych Networks, PA, is the affiliated national doctor and psychotherapist company which focuses on delivering mental and behavioral health care by utilizing the CareSpan Clinic in the Cloud™ platform.

BUSINESS STRATEGY

CareSpan’s mission is to empower clinicians, nurse practitioners, physicians and other care providers with leading edge digital technology and practice management capabilities intended to facilitate clinical operations in primary care, chronic care, urgent care, and behavioral health. To this end, CareSpan is scaling development of its proprietary applications to support health services delivered through its virtual care platform: the CareSpan Clinic to improve access to affordable quality care. CareSpan’s solutions empower clinicians to address the shortage of quality care and the high cost of care delivery in the US and over-seas.

Currently, the Company’s gross revenue consists primarily of fees charged by its provider networks (or more commonly known in the U.S. healthcare industry as “friendly professional corporations”). This revenue is generated by its related entities American-APN and American MedPsych. CareSpan also earns revenues for Software as a Service (“**SaaS**”) fees charged to users of the Company’s platform.

Revenue growth of CareSpan’s provider networks is driven by the growth in: a) the number of clinicians in the network and the corresponding patient visits (in-person and virtual), and b) the growth in revenue per clinician which, in turn, is driven by organic individual practice growth and contracts obtained for the network. Revenue growth of the SaaS business is driven by contracts signed with provider practices.

The Company’s focus over the last year is to grow its provider networks, of nurse practitioners. Focusing on this allows us to build our reputation, technology, and operations to have a solid base of credentials and references for the SaaS business. There two business lines are symbiotic. Scaling one supports the growth of the other.

Opportunities for growth currently offering primary, chronic, and urgent care mainly through AAPN and behavioral health mainly through American MedPsych, the Company’s technology and services platform, while having its own EHR, has been architected to interface with third party EHRs to facilitate partnerships with healthcare system verticals. While we are focused on enabling nurse practitioners and mental health providers, in the future, we can also expand into physician and other segment practices, as well as form continuity-of-care reciprocity with health systems and payors. Future growth areas include integrative care, home care, physical therapy, specialist providers, and wellness.

Due to the nature of technology development, there is no assurance that the milestones set forth in our technology development roadmap will be achieved, and there can be no assurance with respect to the time or resources that may be required to achieve them.

CareSpan expects that additional specific milestones could be identified during the development of the system, and existing milestones, budgets, and the schedule for the completion of each milestone can change depending on several factors including the results of the Company's development program, clarification of or changes to regulatory requirements, the availability of financing and the ability of development firms engaged by the Company to complete work assigned to them.

REGULATORY OVERVIEW

The Company is considered a "Covered Entity" under the *Health Insurance Portability and Accountability Act* ("**HIPAA**") and *Health Information Technology for Economic and Clinical Health Act* ("**HITECH**"). We are compliant with all Centers for Medicare and Medicaid ("**CMS**") requirements for reporting quality metrics; merit-based Incentive payment system and MACRE; promoting interoperability requirements during the reporting period; standardized data exchanges for patient safety amongst providers; and claims-based regulations and metrics. Our networks AAPN and American Med Psych are compliant and receive training for HIPAA, protected health information, cybersecurity and processes for reporting and mitigation of breaches. Our networks also utilized the Quality Management System (QMS) requirements and the HIPAA/security statutes and regulations for data security privacy and confidentiality. The Company requires all employees and key consultants to undergo HIPAA privacy/security training and certification and offers the training to all American APN and American-MedPsych provider-members and their practices. The Company maintains appropriate HIPAA Business Associate Agreements with all vendors supplying technology to support the CareSpan Clinic platform. CareSpan also routinely subjects itself to third-party cybersecurity challenges and audits. The Company's *Clinic in the Cloud* platform is also engineered to support international General Data Protection Regulations and are subject to regulatory frameworks set out by the CMS.

OPERATIONS

Recent Developments

CareSpan has devoted significant resources during 2023 to enhance platform features for enhancing capabilities for performing Remote Patient Monitoring, Chronic Care Management and Annual Wellness Visits, as well as numerous features to enhance clinic workflow efficiencies, alert management and billing and collection. These capabilities differentiate the Company as a comprehensive solution for primary care and the growing demands and opportunities in the managed care market. CareSpan has reduced its cost base and decreased its number of employees and consultants in 2023 over 2022 and to date in 2024 the Company has maintained lower levels of employees and consultants The reduction in revenues is due to moving from low-margin contracts – which has caused a decline in top-line revenue. Our revenue base is now systematically being replaced with higher-margin businesses, such as CWPC and expanded contracts to conduct medical assessments and examinations for returning veterans and active military personnel. The Company anticipates that this establishes a path to profitability.

Operations

Selected Quarterly Information

SELECTED CONSOLIDATED QUARERLY RESULTS UNDER IFRS For the period ended	Revenue	Net income (loss) from operations	Comprehensive income (loss)	Income (Loss) per share, basic and diluted (As originally reported)	Total assets	Non-current liabilities
30-June-24	157,156	(406,548)	(387,580)	(0.01)	322,298	Nil
31-Mar 24	968,675	439,971	363,914	0.01	588,949	Nil
31-Dec-23	454,406	(669,412)	(204,321)	(0.00)	226,286	Nil
30 -Sept-23	428,269	(403,217)	(585,980)	(0.01)	320,254	Nil
30-June 23	742,259	(478,360)	(293,753)	(0.01)	570,640	Nil
31-Mar-23	904,191	(520,002)	(520,002)	(0.01)	409,839	Nil
31-Dec-22	604,696	(369,818)	(319,489)	0.00	1,379,219	Nil
30-Sept-22	1,062,219	(1,357,140)	(1,361,742)	(0.04)	2,405,736	Nil
30-Jun-22	1,110,613	(1,234,126)	(1,218,334)	(0.04)	2,717,198	Nil
31-Mar-22	1,765,357	(670,394)	(671,041)	(0.02)	2,400,107	Nil
31-Dec-21	2,046,853	(493,595)	(2,248,572)	(0.60)	2,697,445	Nil
30-Sep-21	1,398,426	(982,527)	(1,923,079)	(0.07)	3,488,012	Nil
30-Jun-21	1,206,485	(1,621,692)	(684,356)	(0.03)	1,383,876	Nil
31-Mar-21	1,104,917	(2,034,635)	(2,033,079)	(0.09)	1,234,783	Nil
31-Dec-31	2,034,201	(2,546,748)	(2,399,314)	(0.12)	2,460,361	Nil

There is some seasonality in our business as more people generally see their Nurse Practitioner in the winter rather than in the summer and accordingly the winter months are usually the strongest periods.

There have no changes in accounting policy and the company accounts under IFRS in US dollars unless noted as Canadian dollars.

There have no significant acquisitions or dispositions or discontinued businesses during the six-month period.

Revenues

Revenues for the six-month period June 30, 2024, decreased to $1,136,600 compared to $1,646,450 for the six-month period June 30, 2023. In the six months ended June 30, 2024, the Company recognized $729,116 related to the sale of its remaining equity stake of CareSpan Asia, the remaining balance of $407,484 is from patient service and other revenue decreased substantially from the quarter ended June 30, 2023, due to the loss of some larger clinics. For the three months ended June 30, 2024, revenues were $157,156 (June 30, 2023: $742,259)

Operating Expenses

Total operating expenses were $1,092,407 for the six-month period ended June 30, 2024, compared to $2,644,812 for the six-month period ended June 30, 2023, and for three months ended June 30, 2024, were $563,704 (June 30, 2023: $1,220,619) due to the decrease in practice fees (resulting from the decrease in dollar revenue volume) and because of continued implementation of productivity and cost control measures. The nature of these expenditures is explained below:

The largest variable operating expense for the Company is practice fees which decreased to $347,394 for the six-month period ended June 30, 2024, compared to $1,457,788 for the six-month period ended June 30, 2023, and for the three months ended June 30, 2024, $142,341 (June 30, 2023 - $656,931) due to lower revenues 2024 vs. 2023 connected to fewer clinics. Practice fees are underpinned by certain vendor contracts associated with revenue.

In addition, practice supplies and other operating expenses (mainly expenses related to third party billing and collections services) decreased to $8,166 for the six-month period ended June 30, 2024, compared to $123,361 for the six-month period ended June 30, 2023, and for the three-month ended June 30, 2024, these costs were $2,582 (June 30, 2023: $64,091) due to much lower activity processed through third-party billing and collections vendor.

Finance costs were $106,963 for the six-month period ended June 30, 2024, compared to $19,204 for the six-month period ended June 30, 2023, and $66.790 for the three months ended June 30, 2024 (June 30, 2023: $8,836) due to interest on loans that were provided to the Company in April and later in 2023 and the corporate credit card.

Salaries and benefits were at lower levels, $22,005 for the six-month period ended June 30, 2024, compared to $430,067 for the six-month period ended June 30, 2023, and for the three months ended June 30, 2024, salaries were $Nil (June 30, 2023: $201,886) due to all employees after January 15, 2024, being moved to being consultants.

Consultant costs were $416,613 for the six-month period ended June 30, 2024, compared to $165,385 in the six-month period ended June 30, 2023, and $199,650 for the three months ended June 30, 2024 (June 30, 2023: $69,079) due to moving all employees to consultants during the Q1 2024, as noted above.

Information technology costs were $40,213 for the six-month period ended June 30, 2024, compared to $132,598 for the six-month period ended June 30, 2023. For the three months ended June 30, 2024, the costs were $20,594 for June 30, 2024, and were ($58,281- June 30, 2023) The decrease in these costs is due to the completion of certain projects by the IT team and a current focus on only priority projects that improve revenue and reduce cost.

Legal and professional expenses were at $292,768 for the six-month period ended June 30, 2024, compared to $180,717 for the six-month period ended June 30, 2023, and $120,450 for three months ended June 30, 2024, and ($84,313 - June 30, 2023) due to higher 2023 audit fees and legal costs in Q1 and Q2 2024 vs Q1 and Q2 2023.

General and administrative costs were $11,217 for the six-month period ended June 30, 2024, compared to $67,292 for the six months ended June 30, 2023, and for the three months ended June 30, 2024, were $2,586 ($34,002 – June 30, 2023), due to cost containment.

The gain on sale of CareSpan Asia totals $170,354 and this gain relates to advances and the value of shares sold received in cash connected to the February 28, 2024 in connection with the CareSpan Asia transaction due to both balances being previously written off.

CareSpan's adjusted EBITDA takes into consideration non-cash and non-recurring expenses. Management believes adjusted EBITDA is a useful supplemental measure to determine the Company's cash burn rate related to operations so investors can understand and develop an understanding of these adjustments.

	Six Months	**Six Months**
	30-Jun-24	**30-Jun-23**
Revenues	1,136,600	1,646,450
Operating expense	1,092,407	2,644,812
Loss before other expenses, losses or gains	44,193	(998,362)
Income taxes		
Exchange difference on translation of foreign operations	(95,025)	(166,381)
Other expenses losses and gains		-
Total comprehensive loss	(50,832)	(1,164,743)

	Three Months ended	**Three Months ended**
	30-Jun-24	**30-Jun-23**
Revenues	157,156	742,259
Operating expense	563,704	1,220,619
Loss before other expenses, losses or gains	(406,548)	(478,360)
Income taxes		
Exchange difference on translation of foreign operations	18,968	184,607
		-
Total comprehensive loss	(387,580)	(293,753)

		Six months ended June 30, 2024	Six months ended June 30, 2023
Net comprehensive income (loss)		(50,832)	(1,164,743)
	Taxes	-	-
Non recurring costs			
	Finance costs	106,963	19,204
Non-cash items			
	Share based compensation	17,422	68,400
Adjusted EBITDA		73,553	(1,077,139)

		Three months ended June 30, 2024	Three months ended June 30, 2023
Net comprehensive loss		387,580	(293,753)
	Taxes	-	-
Non recurring costs			
	Finance costs	66,790	8,836
Non-cash items			
	Share based compensation	8,711	43,200
Adjusted EBITDA		463,081	(241,717)

Capital and Liquidity

For the period ending	**30-Jun-24**	**30-Jun-23**
Cash	67,391	86,925
Trade and other receivables	264,907	483,715
Accounts payable and accrued liabilities	(798,433)	(1,506,044)
Short term loan payable	(235,517)	-
Due to related parties	(1,616,949)	(830,870)
Working capital	(2,318,601)	(1,766,274)

There are no expected trends other than seasonality, where the winter months have more activity than the summer months.

Cash increased to $67,391 on June 30, 2024, compared to $34,585 on December 31, 2023 and is similar to the balance of cash held at June 30, 2023.

Working Capital

Working capital deficit has increased to ($2,318,601) on June 30, 2024, compared to a working capital deficit of ($2,285,911) as of December 31, 2023, and working capital deficit on June 30, 2023, of ($1,766,274).

CareSpan has no bank lines of credit, as of June 30, 2024.

The Company failed to pay $50,000 and interest to a third party when it was due July 5, 2024, and has not paid CDN$100,000 with interest, which was due August 28, 2024, and anticipates being unable to pay CDN$50,000 with interest which is due September 7, 2024. One other loan is due on September 30, 2024, and the remaining loans mature December 28 to 31, 2024. All such loans are unsecured. As of the date hereof, the lender and the Company are operating under a verbal tolerance arrangement with respect to such loans. See “*Risk Factors - Tolerance Arrangement”*.

The loans or related party debt does not restrict the Company.

The Company’s capital management objectives are to maintain financial flexibility to pursue its strategy of organic acquisitional growth while maintaining an adequate return for shareholders. The Company defines its capital as cash, the aggregate of cash and cash equivalents, short-term investments, restricted short-term investments, bank indebtedness, current and long-term debt, and shareholder’s equity and equipment used at clinics are owned by the independent nurse practitioners/clinicians.

The Company manages its capital structure in accordance with changes in economic conditions. To adjust its capital structure, the Company may issue new shares. In the current six-month period, CareSpan conducted the following transactions:

For the period ending	**30-Jun-24**	**30-Jun-23**
Net cash used in operating activities	(17,194)	(986,554)
Net cash used in investing activities	-	-
Net cash for financing activities	50,000	679,733
Net (decrease) Increase in cash	32,806	(306,821)
Cash, Beginning of period	34,585	393,746
Effects of exchange rates on cash held in foreign currencies		-
Cash, End of period	67,391	86,925

Cash Used in Operating Activities

During the six-month period June 30, 2024, the Company used cash of ($17,194) compared to a use of cash of ($986,554) during the six-month period on June 30, 2023.The decrease in use of cash is due to the lower loss in 2024 versus 2023 for the first six months.

Cash from Financing Activities

During the six-month period June 30, 2024, cash from financing activities was $50,000, compared to $679,733 for the six-month period June 30, 2023. The decrease is due to no shares being issued in during the six months ended June 30, 2024.

The following table summarizes the outstanding share capital as of June 30, 2024:

Type of Securities	Number of Common Shares issued or issuable
Common shares	47,616,035
Stock options	1,216,248
Warrants	10,863,591

The senior employee/consultants who hold executive roles at the Company are the CEO and CFO and Corporate Secretary. No renumeration is paid to Directors, except options.

For the period ending	June 30, 2024	June 30, 2023
Share Based payments	11,310	44,090
Compensation to officers and directors	101,676	223,613
	112,986	267,703

In 2024, both the CEO and CFO are consultants to the Company, not employees. The CEO and CFO have not been paid since May 31 due to low cash balances.

Non-controlling Interests

CareSpan Integrated Networks Inc.

CSIN, a subsidiary of the Company, is authorized to issue up to 80,000,000 Class A common, voting shares and 20,000,000 Class B common, non-voting shares. On June 30, 2024, CareSpan owned 50,000,000 Class A common, voting shares (June 30, 2023: 50,000,000) and there were 880,500 Class B common, non-voting shares (June 30, 2023: 805,500). During 2021 CSIN issued 75,000 Class B common, non-voting shares. The board of CSIN issues shares for services performed by members of the boards of American-APN and American MedPsych, owners of American-APN and American MedPsych, certain practitioners and consultants. No shares were issued in 2022, 2023 or in the six months ended June 30, 2024.

CAPITAL RESOURCES

The Company has cash of $67,391 as of June 30, 2024.

The Company has no capital expenditure planned as at June 30, 2024, and has very low capital expenditure needs generally as all employees and contractors work from their homes. The Company has no office and the Company's business is based on a SaaS platform**.**

OFF-BALANCE SHEET ARRANGEMENTS

On June 30, 2024, there were no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The amount related to ICME International AG ("**ICME**") is the Company's investment in SmartCare GmbH ("**SmartCare**") in Germany. The CEO of ICME is a Director of the Company. CareSpan owns 15% of the share capital of the joint venture and has appointed one director nominee to the SmartCare GMBH (SmartCare) Board of Directors. No funding of this ICME is required to be made by CareSpan. The joint venture has exclusive rights to the CareSpan Clinic in the EMEA territory for the 15-year term of the agreement.

Included in related parties at June 30, 2024 is deferred payroll and consulting fees of $380,801 and loans and interest to related parties total $1,160,622, to ICME our 15% investment $75,526 is owed and to third parties $235,129, $44,167 of these amounts is owed to the CEO of the Company.

Also Included in related parties are loans and interest from a director, the former CEO of the Company of $518,069 in loans and $8,129 in deferred wages and an over 10% shareholder to the Company is owed $231,614.

These majority of the related party loans are due December 28 to December 31, 2024 and bear an interest rate of 12%. Amounts due to related parties are unsecured, and payable on terms of the agreements.

The remuneration of key management personnel is determined by the board of directors having regard to the performance of individuals and market comparisons and trends in the US healthcare sector.

INVESTMENT IN JOINT VENTURES

- **EMEA** – CareSpan entered into a Joint Venture and Cooperation Contract with SmartCare GmbH (SmartCare) in July 2021 for the establishment of CareSpan Europe and related international business development by and through ICME GmbH Management Consultants Munich, a German limited liability company and a subsidiary of ICME International AG, Switzerland, and an early seed investor into CareSpan. The joint venture agreement created a European-based business, SmartCare, owned jointly between the parties to leverage the capabilities of the CareSpan Clinic for the delivery of digitalized medical care, remote patient monitoring and other digital health services to the EU, the Middle East and Africa ("**EMEA**"). CareSpan owns 15% of the share capital of the joint venture and has appointed two director nominees to the board of directors. The joint venture has exclusive rights to the CareSpan Clinic in the EMEA territory for the fifteen-year term of the agreement.

As of June 30, 2024, the losses of EMEA were not considered to be material to CareSpan.

ACCOUNTING POLICIES

The accounting policies set out in the notes to the audited financial statements as of December 31, 2023, have been applied in preparing the financial statements for the period ended June 30, 2024, including the comparative information presented in the financial statements for the year ended December 31, 2023, and the period ended June 30, 2024.

These financial statements have been prepared in accordance with accounting principles applicable to going concern, which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due during the normal course of operations for the foreseeable future. On June 30, 2024, the Company had a shareholders' deficiency of ($21,328,933) and a net comprehensive loss of ($50,832) for the six-month period ended June 30, 2024.

Revised IFRS, interpretations and amendments

Amendment to Disclosure of Accounting Policy Information — IAS 1 Presentation of financial statements

In February 2021, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 Presentation of Financial Statements that aim to assist companies in providing more relevant and company-specific disclosures of accounting policies. The amendments require companies to disclose 'material' accounting policies rather than 'significant' accounting policies. The amendments clarify that accounting policy information is material if, when considered together with other information, it can be reasonably expected to influence decisions that the primary users of the financial statements make. Furthermore, accounting policy information may be material based on nature, even if the amounts are not material. The amendments are effective for annual periods beginning on January 1, 2023. Their adoption did not have a significant impact on the disclosures made in these consolidated financial statements.

New standards not yet adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided to adopt at the dates required.

The following amendments are effective for the period beginning January 1, 2024 and have been implemented by the Company.

a) Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);

b) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);

c) Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and

d) Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for the period beginning January 1, 2025:

a) Lack of exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The Company does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Company.

FINANCIAL INSTRUMENTS

In the normal course of business, CareSpan is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are described below.

Credit and concentration risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to CareSpan. CareSpan does not provide any guarantees which would expose CareSpan to credit risk. The credit risk on cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Since its incorporation, CareSpan has not incurred any significant credit loss in respect of its trade receivables. Based on consideration of all possible default events over the assets' contractual lifetime, the expected credit loss in respect of quarter ended June 30, 2024, is $Nil.

Fair value

The carrying value of financial instruments classified at amortized cost approximate fair value due to their short-term nature.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets or liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

Convertible loans and short-term advances from related parties bear interest at fixed rates or are noninterest bearing. Accordingly, the fair value of these financial liabilities could fluctuate because of changes in market interest rates.

Liquidity risk

Liquidity risk refers to the risk that CareSpan will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of CareSpan's short-, medium- and long-term funding and liquidity management requirements. CareSpan manages liquidity risk by maintaining adequate cash balances and borrowings, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table provides details of CareSpan's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which CareSpan can be required to pay. The tables include both interest and principal cash flows.

	Within one year	Later than one year and not later than five years	Later than five years	Total
	$	$	$	$
Accounts payable and accrued liabilities	798,433	-	-	**798,433**
Due to related parties	1,616,949	-	-	**1,616,949**
Loans due third parties	235,517	-	-	**235,517**
	2,650,899	-	-	**2,650,899**

CRITICAL ESTIMATES

Estimates, assumptions, and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in adjustments to the carrying amount of an asset or liability or the reported amount of revenue and expense in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Key areas of judgment and estimation are as follows:

Revenue recognition

The core principle of IFRS 15 Revenue from Contracts with Customers ("**IFRS 15**") is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

CareSpan accounts for a contract with a customer when it has approval and commitment from all parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Revenue is recognized when control of the promised goods and services is transferred to customers, and in an amount that reflects the consideration the Company is contractually due in exchange for those goods and services.

Patient service revenue

Patient service revenue is recognized at the time services are provided by CareSpan's affiliated healthcare providers. CareSpan's performance obligations related to the delivery of services to patients are satisfied at the time of service. Accordingly, there are no performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period with respect to patient service revenue. Substantially all of CareSpan's patient service revenue is reimbursed by government-sponsored or funded healthcare programs ("**GHC Programs**"), including Medicare and Medicaid, and third-party insurance payors. Payments by insurance companies and health plans for services rendered to patients of American-APN and American-MedPsych member practitioners are generally less than billed charges. CareSpan monitors its revenue and receivables from these sources and records an estimated contractual allowance to properly account for the anticipated differences between billed and reimbursed amounts.

Accordingly, patient service revenue is presented net of an estimated provision for contractual adjustments and uncollectible amounts. CareSpan estimates allowances for contractual adjustments and uncollectible amounts on accounts receivable based upon historical experience and other factors, including evaluation of expected adjustments and delinquency rates, past adjustments, and collection experience in relation to amounts billed, an aging of accounts receivable, current contract and reimbursement terms, changes in payor mix and other relevant information. Contractual adjustments result from the difference between the rates billed by healthcare providers for services performed and the reimbursements by GHC Programs and third-party insurance payors for such services.

Collection of patient service revenue that CareSpan expects to receive is normally a function of providing complete and correct billing information to the GHC Programs and third-party insurance payors within the various filing deadlines and typically occurs within 30 to 60 days of billing.

Accounts receivable are primarily amounts due under fee-for-service contracts from third-party payors, such as insurance companies, self-insured employers, and patients and GHC Programs geographically dispersed throughout the United States. Concentration of credit risk relating to accounts receivable is limited by the number, diversity and geographic dispersion of patients and payors, including the various governmental agencies in the states in which CareSpan provides services.

License revenue

Renewable software licenses for CareSpan's digital care delivery platform include the right-to-access the software for a specified term, technical support, and maintenance services. These agreements are accounted for as licenses, as the customer only has the right to access the software for a specified term. These services are similar in substance to a subscription, as CareSpan does not sell licenses without technical support and maintenance services. Revenue is recognized rateably over the term of the agreement from the date the license term commences.

FINANCIAL RISKS

Where used in this "Risk Factors" section, the "Company" refers to either CareSpan Health, Inc. or its subsidiaries, as the context may require. Due to the nature of the Company's business, the legal and economic climate in which it operates and its present stage of development, the Company is subject to significant risks. The risks presented below should not be considered exhaustive and may not be all the risks that the Company may face.

Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business and operations of the Company and cause the value of the Common Shares to decline. If any of the following risks or any other risks occur, the Company's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Common shares could decline, and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

Going concern

Management has applied significant judgment in the assessment of CareSpan's ability to continue as a going concern when preparing the June 30, 2024, financial statements. Management prepares the condensed consolidated interim financial statements on a going concern basis which assumes that CareSpan will be able to realize its assets, meet its obligations and continue its operations in the normal course of business. CareSpan's ability to continue as a going concern is dependent upon increasing its sales, improving its overall operating results, and obtaining financing as required. The outcome of these matters cannot be predicted at this time.

Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business and therefore, be required to realize its asset and discharge its liabilities at an amount different from those reflected in these financial statements.

OTHER RISKS

Tolerance Arrangement

As of July 5, 2024, the Company missed an interest payment with respect to its outstanding loans and has been operating under an informal unwritten tolerance arrangement with respect to its debt obligations, whereby its lenders has refrained from enforcing their rights and remedies under the respective loan agreement following certain events of default; there is no guarantee that such arrangements will continue or that the lender will continue the tolerance under similar terms or for how long. The lender could at any time call on the respective loans and the Company would be required to pay such amounts on demand. Any such action could have a material adverse effect on the Company's business, financial condition and results of operations. As such, an investment in the Common Shares should be considered highly speculative as there can be no assurance that the Company will be able to successfully fulfill its debt obligations.

Retention and Acquisition of Skilled Personnel

The loss of any member of CareSpan's management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel, including members of executive management, could have a material adverse effect on CareSpan's business and operating results. The expansion of marketing and sales of its products will require CareSpan to find, hire and retain additional capable employees who can understand, explain, market, and sell its products.

There is intense competition for capable personnel in all these areas and CareSpan may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take a significant amount of time before they achieve full productivity. As a result, CareSpan may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as CareSpan moves into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

Managing Growth

To manage growth and changes in strategy effectively, CareSpan must: (a) maintain adequate systems to meet customer demand; (b) expand sales and marketing, distribution capabilities, and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees.

While it intends to focus on managing its costs and expenses over the long term, CareSpan expects to invest its earnings and capital to support its growth but may incur additional unexpected costs. If CareSpan incurs unexpected costs it may not be able to expand quickly enough to capitalize on potential market opportunities.

Reliance on Contracts with Key Customers

Revenues attributable to CareSpan's business is heavily dependent upon certain significant customers. The largest provider on CareSpan's network was responsible for generating over 90% of its revenue in 2022 and for much of the year ended December 31, 2023, however additional providers continue to be added over time. There can be no assurance that CareSpan's contracts with these key customers will be renewed or that the CareSpan's services will continue to be utilized by those key customers. There could be material adverse effects on the financial results or businesses of CareSpan if a material healthcare practitioner does not renew its contracts with CareSpan or if such practitioner elects to terminate its contracts with CareSpan in favour of another service provider.

Ability to Attract Nurse Practitioners and Behavioral Health Providers to CareSpan's Networks

The organic growth of CareSpan's business relies heavily on its ability to attract and contract with nurse practitioners ("**NP**"), doctors and behavioral health providers to its integrated networks – American-APN and American MedPsych. CareSpan's current value proposition is that, to independent practitioners, it is a "one stop shop" that provides the technology platform and business services that allows them to focus on caring for patients. While CareSpan's offering is fundamentally attractive, target providers may not find it compelling enough to shift their current business to the Company over time. CareSpan's recruiting cycle can also vary widely by client.

Ability to Help CareSpan's Network Providers Grow their Practices

CareSpan's revenues are dependent on the individual practice growth of its member providers. Their growth is influenced by multiple factors, including their ability to market their services to their communities, their ability to retain patients/clients over time, and competitive factors in their community that impact their growth. If CareSpan is unable to help them grow their practices profitably, the Company will constrict network growth and, therefore, revenues for CareSpan.

Onboarding and Transitioning

While CareSpan has a standardized onboarding and transitioning process, its operations can be negatively impacted depending on the individual situations of individual providers. For example, whether a provider's network is efficient can impact the transition process – an inefficient network can make the process difficult to implement and complete. CareSpan is heavily reliant on the effectiveness of its training, data migration and interface implementation.

Intense Competition for Healthcare Providers

As CareSpan expands its operations, it may encounter difficulty in securing the necessary professional medical and support staff to support its expanding operations. Competition for NPs, doctors, behavioural health specialists or other healthcare service providers in specific areas of the United States may affect the CareSpan's ability to adequately meet demand for its services and provide its clients with adequate services, which may adversely affect the business, financial condition, and results of operations of CareSpan.

Breach of Clients' or Patients' Confidential Information and Clinical Malpractice

CareSpan's platform stores confidential information of clients and patients, including personal health information and other personally identifiable sensitive data. Any accidental or willful security breaches of CareSpan's information technology systems or other unauthorized access could cause clients' secure information to be stolen and used for criminal purposes. Security breaches or unauthorized access to secure information could also expose CareSpan to liability related to the loss of the information, time consuming and expensive litigation, negative publicity, and loss of reputation. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in its licensed software is exposed and exploited, and, as a result, a third party or disaffected employee obtains unauthorized access to any of its clients' data, CareSpan's relationships with its users could be severely damaged and CareSpan could incur significant liability In general, malpractice insurance is recommended or required by State legislation in providing the services provided by the NP's. NP's who use CareSpan's platform are members of AAPN and or AMPN and while third parties to CareSpan are generally required to have their own malpractice insurance through these organizations.

Regulatory Requirements

Regulatory compliance risk is the risk of potential non-conformance with laws, rules, regulations, and prescribed practices in any jurisdiction in which CareSpan operates. CareSpan operates in a highly regulated environment and is subject to multiple federal, state, and local laws. CareSpan also operates within the rules parameters and guidelines required by entities that have contracted CareSpan's services, including the Centers for Medicare and Medicaid (CMS), various government payors (for example the Veteran's Administration), private health insurers, health plans and payors, as well as provider governing bodies. CareSpan's operations are governed by, and subject to, the following:

- HIPAA and HITECH (see prior section “Regulatory Overview”);
- Federal, state, and local provider licensing, certification and credential and related guidelines.
- Laws overseeing the corporate practice of medicine; - the United States Physician Self-Referral Law (also known as the Stark law); o The United States Anti-Kickback Statute;
- The United States False Claims Act; and
- U.S. and international healthcare laws

Any violation of rules and statutes that govern our operations present a risk to the Company. The Company has policies and procedures in place to address these regulatory requirements, compliance and adherence is a critical part of CareSpan’s day-to-day operations. However, legislation may be subject to change, whilst uncertainty of interpretation, application and enforcement may result in failure to comply with legal requirements. Non-compliance with legislation could result in regulatory challenges, fines, and litigation.

Healthcare Legislation

Reforms in the legislation governing the healthcare industry in any of the jurisdictions in which CareSpan operates could limit the prices that CareSpan can charge for its services, which would reduce its revenues and harm its operating results. In addition to extensive existing government healthcare regulation, there could be initiatives at the federal, state, or provincial levels for reforms affecting the payment for and availability of healthcare services. Limitations on reimbursement amounts and other cost containment pressures could result in a decrease in the revenue received for each patient seen. It is not clear at this time what proposals, if any, will be adopted or, if adopted, what effect these proposals would have on the business of CareSpan. The adoption of any such proposals could have an adverse impact on the business, financial conditions, or results of operations of CareSpan.

Permits and Licenses

The operations of CareSpan may require licenses and permits from various governmental authorities in the future. There can be no assurance that CareSpan will be able to obtain any or all necessary licenses and permits that may be required.

Material Defects or Errors in CareSpan’s Technology Infrastructure

CareSpan’s ability to provide services to its customers is heavily dependent on the operability of its technology as well as partner- or supplier-owned technology that is embedded or interfaces with the CareSpan platform. Material defects or errors in CareSpan’s and its partners’/vendors’ technology infrastructure could harm CareSpan’s reputation, result in significant costs and impair CareSpan’s ability to sell its services. Software used by CareSpan can contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced. Despite internal testing, CareSpan’s technology may contain serious errors or defects that cause performance problems or service interruptions, security vulnerabilities or software bugs that CareSpan may be unable to successfully correct in a timely manner, or at all.

Dependencies on Third Party Software and Services

Certain of CareSpan's technology and services rely on software and services developed and maintained by third party vendors. CareSpan's business may be disrupted if these services or software ceased to be available to CareSpan or offered to it on commercially reasonable terms. In either instance, CareSpan would either be required to redesign services to function with alternate third-party vendors, or CareSpan may need to develop these components itself, which could result in increased costs and could result in delays in providing future services. Further, CareSpan be forced to limit the features available in its current or future service offerings because of unavailability of third-party software.

Litigation Risks

CareSpan's business may become susceptible from time to time to various legal claims, including class action claims, during its operations or with respect to the interpretation of existing agreements. Any future claims or litigation could have a material adverse effect on the CareSpan's business and its profitability. CareSpan carries malpractice insurance to protect the Company.

Insurance Coverage

CareSpan's production is, in general, subject to different risks and hazards, including adverse weather conditions, fires, plant diseases and pest infestations, other natural phenomena, industrial accidents, labour disputes, changes in the legal and regulatory framework applicable to CareSpan and environmental contingencies.

History of Losses

CareSpan has a history of losses since inception. CareSpan intends to further incur expenses to facilitate the growth of the business. While CareSpan expects to generate profits in the future, there can be no assurances that it will be successful in this regard.

Access to Capital

CareSpan makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its incorporation, CareSpan has financed these expenditures through offerings of its equity securities. CareSpan will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. CareSpan may incur major unanticipated liabilities or expenses. CareSpan can provide no assurance that it will be able to obtain financing to meet the growth needs of its operations.

Foreign Sales

CareSpan's functional currency is denominated in US dollars. CareSpan currently expects that sales will be denominated in US dollars and may, in the future, have sales denominated in the currencies of additional countries in which it establishes operations or distribution. In addition, CareSpan incurs the majority of its operating expenses in US dollars. In the future, the proportion of CareSpan's sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact CareSpan's business, financial condition, and results of operations. CareSpan has not previously engaged in foreign currency hedging. If CareSpan decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs, or illiquid markets. In addition, those activities may be limited in the protection they provide CareSpan from foreign currency fluctuations and can themselves result in losses.

Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

RISKS RELATED TO THE COMMON SHARES

Market for the Common Shares

There can be no assurance that an active trading market for the Common Shares will develop or, if developed, that any market will be sustained. CareSpan cannot predict the prices at which the Common Shares will trade,

Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include:

a) announcements of new offerings, products, services or technologies, commercial
b) relationships, acquisitions, or other events by CareSpan or its competitors.]
c) price and volume fluctuations in the overall stock market from time to time.
d) significant volatility in the market price and trading volume of agriculture companies.
e) fluctuations in the trading volume of the Common Shares or the size of CareSpan's public float.
f) actual or anticipated changes or fluctuations in CareSpan's results of operations.
g) whether CareSpan's results of operations meet the expectations of securities analysts or investors.
h) actual or anticipated changes in the expectations of investors or securities analysts,
i) litigation involving CareSpan, its industry, or both.
j) regulatory developments in the United States and foreign countries,
k) general economic conditions and trends:
l) major catastrophic events,
m) escrow releases, sales of large blocks of the Common Shares,
n) departures of key employees or members of management; or
o) an adverse impact on CareSpan from any of the other risks cited herein.

No History of Payment of Cash Dividends

CareSpan has not declared or paid cash dividends on the Common Shares. CareSpan intends to retain future earnings to finance the operation, development, and expansion of the business. CareSpan does not anticipate paying cash dividends on the Common Shares in the foreseeable future.

Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on CareSpan's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board considers relevant.

Significant Sales of Common Shares

The Common Shares held by CareSpan's directors, executive officers, control persons, and certain other security holders of CareSpan may be subject to contractual lock-up restrictions and may also be subject to escrow provisions pursuant to the policies of the TSXV. Sales of a substantial number of the Common Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, may adversely affect the market price of the Common Shares, and could make it more difficult for investors to sell Common Shares at a favourable time and price.

Additional Information

Additional information relating to the Company is available on the SEDAR+ website at www.sedarplus.ca and on the Company's website at www.carespanhealth.com.