COMPREHENSIVE HEALTHCARE SYSTEMS, INC.
(FORMERLY GREENSTONE CAPITAL CORP.)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024 AND JUNE 30, 2023
(Expressed in US dollars)
(Unaudited)

NOTICE OF NO AUDIT OR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the management. The Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements.

COMPREHENSIVE HEALTHCARE SYSTEMS, INC. (FORMERLY GREENSTONE CAPITAL CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in US dollars- Unaudited)
For Period Ended June 30, 2024

	Note	June 30, 2024	December 31, 2023
ASSETS			
Non-current			
Deposits		93,786	70,000
Property and equipment	6	88,547	71,631
Right-of-use assets	7	687,380	430,581
		869,714	572,212
Current			
Cash	4	24,226	23,811
Accounts receivable		200,166	351,197
Prepaid expenses	5	31,237	25,412
		255,629	400,420
Total assets		1,125,343	972,632
LIABILITIES AND STOCKHOLDERS' DEFICIENCY			
Non-current			
Lease liabilities	11	1,146,366	939,618
Term loan	9	69,273	32,393
Loan Payable	10	338,741	307,207
		1,554,380	1,279,218
Current			
Accounts payable and accrued liabilities	8	3,993,585	3,875,683
Deferred Revenue		392,957	438,051
Term loan	9	1,077,363	1,047,370
Loan payable	10	8,772	9,502
Lease liabilities	11	167,126	126,547
Escrow-Settlement of Medical claim		76,983	5,751
		5,716,786	5,502,904
STOCKHOLDERS' DEFICIENCY			
Share capital	12	15,362,641	15,362,641
Reserves	12	(21,172,131)	(17,617,643)
Accumulated other comprehensive income			
Accumulated deficit		(336,333)	(3,554,488)
Total stockholders' deficiency		(6,145,823)	(5,809,490)
Total liabilities and stockholders' deficiency		1,125,343	972,632

Nature of operations (Note 1)

Approved and authorized for issue by the Board of Directors on October 07, 2024:

Vikas Ranjan Director *Chris Cosgrove* Director

The accompanying notes 1 to 21 are an integral part of these condensed consolidated interim financial statements.

COMPREHENSIVE HEALTHCARE SYSTEMS, INC. (FORMERLY GREENSTONE CAPITAL CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in US dollars-Unaudited)
For Period Ended June 30, 2024

	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Revenues	13	896,953	931,626	1,840,133	1,995,808
Cost of revenues	14	428,645	573,768	876,493	1,084,005
Gross Profit		468,308	357,858	963,640	911,803
Expenses					
General and administrative	15	353,043	1,061,599	809,812	2,116,496
Research and development	16	139,254	118,867	198,905	310,234
Selling	17	72,868	250,991	127,204	469,310
Depreciation	6,7	27,534	171,769	53,177	177,323
Total Expenses		592,699	1,603,226	1,189,098	3,073,363
Profit before Interest, other income & Taxes		(124,391)	(1,245,368)	(225,458)	(2,161,560)
Other items					
Interest and financing expense		(56,239)	(28,012)	(110,903)	(48,898)
Interest income		-		-	1,893
Foreign exchange gain (loss)		28	(2,000)	28	(1,825)
		(56,211)	(30,012)	(110,875)	(48,830)
Net loss		(180,602)	(1,275,380)	(336,333)	(2,210,390)
Other comprehensive income: (amount that may be subsequently reclassified to profit or loss)					
Foreign currency translation to reporting currency		-	-	-	-
Comprehensive loss		(180,602)	(1,275,380)	(336,333)	(2,210,390)
Loss per share – Basic and diluted		(0.001)	(0.010)	(0.003)	(0.018)
Weighted average number of common shares outstanding – Basic and diluted		124,023,502	124,023,502	124,023,502	120,646,121

The accompanying notes 1 to 21 are an integral part of these condensed consolidated interim financial statements.

COMPREHENSIVE HEALTHCARE SYSTEMS, INC. (FORMERLY GREENSTONE CAPITAL CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN DEFICIENCY
(Expressed in US dollars-Unaudited)
For Period Ended June 30, 2024

Number of shares	**Preferred Shares**		**Common Shares**						
	Number of shares	**Share capital**	**Number of shares**	**Share capital**	**Obligation to issue shares**	**Reserves**	**Accumulated**	**Accumulated other comprehensive income (loss)**	**Total**
Balance, December 31, 2022	-	-	104,303,956	14,870,206	-	1,295,419	(19,322,604)	10,177	(3,146,802)
Private placement shares	-	-	19,719,546	512,800	-	271,764	-	-	784,564
Share Issuance costs	-	-	-	(13,103)	-	-	-	-	(13,103)
Finder Warrants issued	-	-	-	(7,262)	-	7,262	-	-	-
Foreign currency translation	-	-	-	-	-	-	-	-	-
SBC-Options	-	-	-	-	-	120,339	-	-	120,339
Comprehensive loss	-	-	-	-	-	-	(3,554,488)	-	(3,554,488)
Balance, December 31, 2023	-	-	124,023,502	15,362,641	-	1,694,784	(22,877,092)	10,177	(5,809,490)
Balance, December 31, 2023	-	-	124,023,502	15,362,641	-	1,694,784	(22,877,092)	10,177	(5,809,490)
Private placement shares	-	-	-	-	-	-	-	-	-
Share Issuance costs	-	-	-	-	-	-	-	-	-
Finder Warrants issued	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-	(336,333)	-	(336,333)
Balance, June 30, 2024	-	-	124,023,502	15,362,641	-	1,694,784	(23,213,425)	10,177	(6,145,823)

The accompanying notes 1 to 21 are an integral part of these condensed consolidated interim financial statements.

COMPREHENSIVE HEALTHCARE SYSTEMS, INC. (FORMERLY GREENSTONE CAPITAL CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in US dollars-Unaudited)
For Period Ended June 30, 2024

	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash flows from operating activities		
Net loss	(336,333)	(2,210,390)
Items not affecting cash:		
Interest expenses	110,903	48,898
Depreciation	53,177	177,323
Changes in non-cash working capital		
Lease liabilities	247,327	-
Escrow-Settlement of Medical claim	71,232	-
Accounts receivable	151,031	(3,929)
Prepaid expenses	(5,825)	39,462
Deferred Revenue	(45,093)	-
Accounts payable and accrued liabilities	117,902	646,848
Contract Liabilities	-	(146,297)
Contract Assets	-	218,945
Net cash flows used in operating activities	364,319	(1,229,140)
Cash flows from investing activities		
Purchase of Equipment	(23,588)	8,830
Security deposits	(23,786)	-
Investment in Leases	(303,304)	(112,094)
Net cash flows used in investing activities	(350,679)	(103,264)
Cash flows from financing activities		
Repayments on term loan	-	(10,000)
Private Placement Proceeds	-	747,636
Increase in borrowing	97,677	-
Interest payments	(110,903)	(48,898)
Loans Received	-	240,000
Lease Payments	-	65,576
Net cash flows provided by (used in) financing activities	(13,226)	994,314
Change in cash	415	(338,090)
Cash		
Beginning of year	23,811	400,782
End of year	24,226	62,692
Supplemental cash flow disclosure		
Interest paid	13,226	11,245
Interest received	NIL	1,893
Taxes paid	NIL	NIL
Non-cash transactions		
Settlement of obligation to issue shares	NIL	NIL

1. NATURE OF OPERATIONS

Comprehensive Healthcare Systems, Inc. (the "Company"), formerly known as Greenstone Capital Corp., was incorporated on June 6, 2018 and became a "Reporting Issuer" in each of the Provinces of Alberta, British Columbia and Ontario pursuant to applicable securities legislation on April 11, 2019.

On September 29, 2021, the Company completed a reverse takeover with Comprehensive Healthcare Systems Inc. ("CHS"), a Delaware "C" Corporation founded in 2015, providing healthcare administrative software, licensing and maintenance services to various interests in the healthcare industry, including insurance companies, hospitals, doctors and labor unions. CHS was deemed to be the acquirer for accounting purposes. These consolidated financial statements are considered a continuation of CHS.

Pursuant to the reverse takeover (see note 3), the Company changed its name to "Comprehensive Healthcare Systems Inc.", changed its year-end from January 31 to December 31 and began trading on the TSX Venture Exchange under the stock symbol CHS. The head office of the Company is at Edison Office Plaza, 515 Plainfield Avenue, Edison NJ 08817. The Company's registered and records office is at 220 – 333 Terminal Avenue, Vancouver, BC V6A 4C1.

As of June 30, 2024 and for the six months ended June 30, 2024, the Company had incurred a loss of $336,333 (June 30, 2023-$2,210,390), with a working capital deficit of $5,461,157 (December 31, 2023 of $5,102,484), accumulated deficit totaling $21,508,464 (December 31, 2023- $21,172,131) and cash flows from operating activities of $364,319 (June 30, 2023-1,229,140). The Company may need to raise additional capital during next twelve months and beyond to support current operations and planned development but has reduced expenses to a breakeven level. The factors mentioned in Note 19 indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. The Company has reduced discretionary spending and has received additional financial support from the current and new investors and certain executives to fund any financial shortfalls. Other strategic options may be available to the Company under certain circumstances.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

Basis of presentation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") 34: Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). They have been prepared in accordance with the same accounting policies and methods of application as the most recent financial statements for the Company for the year ended December 31, 2023, except that they do not include all the disclosures required for the annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the Company for the year ended December 31, 2023.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IFRS also requires management to make estimates and judgements that may have a significant impact on these condensed consolidated interim financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

The critical accounting judgements and estimates applied in the preparation of the Company's condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended December 31, 2023.

(Expressed in US dollars - Unaudited)

2. BASIS OF PRESENTATION (Continued)

In addition, the accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2023.

Consolidation

These condensed consolidated interim financial statements are presented on a consolidated basis and include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Entity	Principal activities	Country of incorporation	Percentage Owned December 31, 2023
Comprehensive Healthcare Systems Inc. ("CHS")	Healthcare administration software, management and services	United States	100%
Health Plan Systems, Inc. ("HPS")	Healthcare administration software	United States	100%
New York Medical Management, Inc. ("NYMM") DBA Sterling MM	Review, management and maintenance services	United States	100%
Health Plan Systems Services Corp. ("LionGen") DBA LionGen	Third-party administration services to customers of HPS and others	United States	100%

All intercompany balances and transactions have been eliminated on consolidation.

3. REVERSE TAKEOVER TRANSACTION

On December 7, 2020 and subsequently amended on May 20, 2021, the Company and CHS entered into a merger agreement to complete a reverse takeover transaction (the "Transaction"). The Transaction was closed on September 29, 2021.

Under the terms of the Transaction, the Company consolidated all of its issued and outstanding common shares on a 3.5323:1 basis.

Prior to the completion of the Transaction, CHS converted all issued and outstanding preferred shares into common shares in accordance with the conversion terms as set out in its certificate of incorporation. CHS also enacted a stock split on 2,178.2738:1 basis immediately prior to the completion of the Transaction such that holders of the CHS's common shares as at the merger date would hold an aggregate of 41,333,333 common shares in the new entity following the Transaction. After completion of this transaction, the current shareholders of CHS would own the majority of the issued and outstanding common shares of the resulting issuer. CHS would become a wholly-owned subsidiary of the resulting issuer.

On April 24, 2019, Greenstone granted 729,999 options to directors and officers. These options vested immediately and are exercisable at a price of $0.10 CAD per option until April 24, 2029. As of the reverse takeover transaction date, 698,260 director and officer options were outstanding. As part of the Transaction, the 698,260 director and officer options were exchanged for 197,681 options respectively of the Resulting Issuer exercisable at $0.15 CAD per unit. The options were determined to have a value of $52,539. This valuation was computed using the Black Scholes option pricing model with the following inputs: Share price of $0.38 CAD, exercise price of $0.15 CAD, expected life of 7.5 years, 100% volatility and 1.40% risk free rate.

At the time of the Transaction, Greenstone did not meet the definition of a business as defined under IFRS 3 "Business Combinations". Hence, the Transaction was accounted for as an asset acquisition in accordance with IFRS 2, "Share-Based Payment". CHS was identified as the accounting acquirer that issued shares to acquire all of the net assets of the Company, the accounting acquiree, and its listing status. The consolidated financial statements are considered to be a continuation of the consolidated financial statements of CHS, the accounting acquirer, and present the value of its assets and liabilities at historical cost, up to the date of the Transaction.

(Expressed in US dollars - Unaudited)

3. REVERSE TAKEOVER TRANSACTION (Continued)

The fair value of the consideration issued to acquire the net assets of the Company is as follows:

Consideration:		
Fair value of Greenstone shares (2,066,667 common shares)	$	608,273
Fair value of replacement options (197,681 options)		52,539
Fair value of finder's shares (2,066,068 common shares)		616,205
Settlement of intercompany loans		(11,774)
Total consideration	$	1,265,243
Fair value of net assets acquired:		
Cash	$	224,935
Accounts payable and accrued liabilities		(8,638)
Net assets	$	216,297
Listing expenses	$	1,048,946
Other direct listing expenses		377,473
Total listing expenses	$	1,426,419

The fair value of the Company's 2,066,667 shares and 2,066,068 finders' shares was determined to be approximately $0.30 ($0.38 CAD) based on the price of shares issued pursuant to concurrent financing completed alongside the Transaction.

The $377,473 in other direct listing expenses consisted of legal and professional fees and initial exchange listing fees.

4. CASH

	June 30, 2024	December 31, 2023
RBC Checking (799-6)	712	166
First Hawaiian Bank	2,140	2,260
PNC Debit Card (2041)	403	723
PNC Debit Card (2068)	453	324
PNC (9741)	7,622	14,586
PNC (4968) United for Claims	12,896	5,752
	24,226	23,811

5. PREPAID EXPENSES

	June 30, 2024	December 31, 2023
Prepaid Expenses	25,179	10,532
Prepaid Insurance	6,058	14,880
	31,237	25,412

(Expressed in US dollars - Unaudited)

6. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Furniture and Equipment	Computers and Software	Total
Cost				
Balance at December 31, 2022	34,820	17,989	97,196	150,005
Additions	-	-	-	-
Balance at December 31, 2023	34,820	17,989	97,196	150,005
Additions	18,377	5,211	-	23,588
Balance at June 30, 2024	53,197	23,200	97,196	173,593
Accumulated depreciation				
Balance at December 31, 2022	24,384	14,070	24,159	62,613
Depreciation	3,482	1,468	10,811	15,761
Balance at December 31, 2023	27,866	15,538	34,970	78,374
Depreciation	671	302	5,699	6,672
Balance at June 30, 2024	28,537	15,840	40,669	85,046
Net book value				
December 31, 2023	6,954	2,451	62,226	71,631
March 31, 2024	24,660	7,360	56,527	88,547

7. RIGHT-OF-USE-ASSETS

	Building	Equipment	Total
Cost			
Balance as at December 31, 2023	449,468	941,251	1,390,719
Additions	303,304	-	303,304
Balance at June 30, 2024	752,772	941,251	1,694,023
Accumulated depreciation			
Balance at December 31, 2023	49,643	910,495	960,138
Depreciation	30,126	16,379	46,505
Balance at June 30, 2024	79,769	926,874	1,006,643
Net book value			
December 31, 2023	399,825	30,756	430,581
June 30, 2024	673,003	14,377	687,380

(Expressed in US dollars - Unaudited)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2024	December 31, 2023
Accounts payable	2,239,641	2,150,528
Accrued liabilities	1,753,944	1,725,155
	3,993,585	3,875,683

9. LINE OF CREDIT AND TERM LOANS

In October 2016, the Company entered into a $6,000,000 credit agreement with a bank (the "Credit Agreement") consisting of a term loan (the "Term Loan") and a $1,000,000 line of credit (the "Line of Credit"). The Credit Agreement is collateralized by substantially all assets of the Company and contains financial covenants related to debt service coverage ratio. On August31, 2018, the Company signed a forbearance agreement with the bank whereby the Term Loan and Line of Credit bear interest at the default interest rate of LIBOR plus 10.75% and were set to mature on December 31, 2018. On May 30, 2019, the Company amended the forbearance agreement and extended the maturity date to December 30, 2019 with an interest rate of 13.13%.

On December 11, 2020, the Company amended the forbearance agreement (the 2020 Amendment") and extended the maturity date to January 31, 2023. The amended agreement provides for a payment schedule as follows: 24 monthly payments of $20,000 starting January 31, 2021 with the remainder due on or before January 31, 2023. Under the 2020 Amendment, the interest rate on the loans is 6%.

Under the 2020 Amendment, the Company will be permitted to issue stock and obtain new debt. In the event the Company is able to raise more than 3.5 times the current balance of loans due at the time of the raise, the Company is required to repay 50% of the balance due within one month of receiving the resulting funds and will continue to be required to make the remaining payments as scheduled under the 2020 Amendment thereafter.

On June 30, 2021, the Company received notice that it was in default on its term loan and line of credit. Subject to this event of default, interest on the term loan and line of credit will increase by 4%, resulting in a rate of LIBOR plus 10.75% per annum. The Company's outstanding term loan and line of credit balances also become due immediately. The Company engaged a consultant to assist in remedying the event of default. Due to this default, the entire balances owing under the term loan and line of credit have been classified as current liabilities of the Company.

On June 30, 2022, the Company amended the agreement and extended the maturity date to August 31, 2025. The amended agreement provides for a payment schedule of $10,000 per month starting September 1, 2021, with the remainder due on or before August 31, 2025, Under the amendment, the principal balance is reduced by $50,000 and interest rate on the loan will be 4%. This amendment represented a modification of the original note terms, resulting in the original line of credit and term loans being derecognized and a new term loan liability being recognized. $241,487 (2021 - $Nil) in other income was recognized in relation to this modification.

Under the 2022 amendment, the Company will be permitted to issue stock and obtain new debt. In the event the Company is able to raise money through capital stock, the Company is required to repay 20% of the gross proceeds of such issuance and will continue to be required to make the remaining payments as scheduled under the amendment thereafter. However, this provision shall apply prospectively to all issuances after the listing date and excludes post-listing date subscriptions related to the listing.

As per the agreement, the loan is to be fully repaid by September 202. However, the company has defaulted in several monthly installment payments which are considered as current payables. The loan repayable within next 1 year is considered as $1,077,363 unless a renegotiated repayment schedule is granted to the company by creditor.

(Expressed in US dollars - Unaudited)

A reconciliation of the Term Loan and Line of Credit is as follows:

Balance, December 31, 2023	1,079,763
Repayments	-
Interest and loan	66,873
Balance as on June 30, 2024	1,146,636

Balance as on June 30, 2024	Line of Credit	Term Loan	Total
Current portion	-	1,077,363	1,077,363
Non-current portion	-	69,273	69,273
	-	1,146,636	1,146,636

10. LOANS PAYABLE

During the period ended December 31, 2020, the Company received a $150,000 Covid-19 Economic Injury Disaster Loan through the U.S. Small Business Administration. The loan bears interest at a rate of 3.75% per annum and will accrue only on funds actually advanced from the date of each advance. Payments on the loan are deferred for 30 months following receipt of the loan at which time minimum monthly payments of $731 are required. The balance of principal and interest on the loan will be payable 30 years from receipt. Loan proceeds are to be used towards funding working capital and normal operating expenses. The loan is secured by general business assets of the Company as set out in the Uniform Commercial Code. As at June 30, 2024, the carrying value of the loan was $66,847 (December 31, 2023 - $64,708).

During 2023, an amount of $252,000 has been given to the company by the CEO to meet working capital requirements. The loan carries a simple interest of 12% p. a and is repayable in 4 yearly installments of 25% of the loan amount plus accrued interest. The repayment is planned from 2025 and the loan is to be completely repaid by 2028.

A reconciliation of the loan's payable is as follows

Balance, December 31, 2023	316,708
Repayments	(2,193)
Interest and loan fees	32,998
Balance as on June 30, 2024	347,513

Balance as on June 30, 2024	**Line of Credit**	**Term Loan**	**Total**
Current portion	-	8,772	8,772
Non-current portion	-	338,741	338,741
Total	-	347,513	347,513

(Expressed in US dollars - Unaudited)

11. LEASE LIABILITIES

As at December 31, 2023	1,066,165
Additions	303,304
Interest expense	14,936
Lease payments	(70,913)
Balance at June 30, 2024	1,313,492

Lease liabilities	**June 30, 2024**	**December 31, 2023**
Current portion	167,126	126,547
Long-term portion	1,146,366	939,618
Total lease liabilities	1,313,492	1,066,165

Maturity analysis	**June 30, 2024**
2024	92,821
2025	188,610
2026	137,958
2027	83,291
2028 & later	981,656
Total undiscounted lease liabilities	1,484,336
Amount representing implicit interest	(170,844)
Lease obligations	1,313,492

12. EQUITY

The authorized capital of the Company consists of an unlimited number of common and preferred shares with no par value. As of June 30, 2024, the Company had 124,023,502 common shares issued and outstanding (December 31, 2023– 124,023,502 common shares).

During the six months ended June 30, 2024, the company has not issued any new shares and no outstanding warrants are exercised.

During the nine months ended September 30, 2023, the Company issued 19,719,546 units for gross proceeds of $787,440 (1,056,683 CAD). Each unit consists of one common share and one share purchase warrant. The warrants are exercisable for a period of 24 months from the of issuance (the "Exercise Period"). Each share purchase warrant entitles its holder to purchase one common share at a price of $0.10 CAD per share for the first 12 months of the Exercise Period and at a price of $0.15 CAD per share between 12 and 24 months of the Exercise Period. The Company has applied the residual method in valuing the shares and the share purchase warrants included in the units, therefore, these warrants have been recorded at $nil value

(Expressed in US dollars - Unaudited)

12. EQUITY (Continued)

Options

The Company has established a stock option plan for its directors, officers, employees and consultants under which the Company may grant options from time to time to acquire shares. The exercise price of each option shall be determined by the Board of Directors (but must be at least equal to the closing price of a Share on the TSX-V on the day immediately prior to the relevant grant date). Options may be granted for a maximum term of ten years from the date of grant. Options are non- transferable and expire immediately upon termination of employment for cause, or within 90 days of termination of employment or holding office as director or officer of the Company or in the case of death. Unless otherwise provided in the applicable grant agreement, Options fully vest upon the grant thereof.

As part of the Company's reverse takeover transaction, rights to purchase shares continue. On April 24, 2019, Greenstone granted 729,999 options to directors and officers. These options vested immediately and are exercisable at a price of $0.10 CAD per option for a period of 10 years from the date of the option agreement. As of April 30, 2021, 698,260 director and officer options were outstanding. As part of the reverse takeover transaction, the 698,260 director and officer options were exchanged for 197,681 options respectively of the Company exercisable at $0.15 CAD per unit.

During the three months ended September 30, 2022, the Company granted 6,200,000 options at an exercise price of $0.06 ($0.08 CAD).

Each stock option permits the holder to purchase one common share of the Company at the stated exercise price. The vesting conditions are as follows:

- 3,900,000 options: 12.5% of allotted options vesting each quarter over 8 quarters; and
- 2,300,000 options: 25% of allotted options vesting each quarter over 4 quarters.

The options were determined an initial grant date fair value of $287,617 using the Black-Scholes Option Pricing Model with the following inputs:

	Six months ended June 30, 2024
Share price (CAD)	0.08
Exercise price (CAD)	0.08
Risk-free interest rate	3.08%
Estimated life (years)	9.44
Estimated volatility	81.52%
Expected dividend yield	0.00%

At June 30, 2024, outstanding and exercisable stock options were as follows:

Expiry date	Exercise price (CAD)	Options outstanding	Options exercisable	Weighted average remaining contractual life (years)
September 21, 2025	0.08	500,000	-	2.98
April 24, 2029	0.15	197,681	197,681	6.57
September 21, 2032	0.08	5,700,000	-	2.98
		6,397,681	197,681	9.33

(Expressed in US dollars - Unaudited)

Warrants

As at June 30, 2024, the following warrants were issued and outstanding:

Number of Warrants	Exercise Price (CAD)	Expiry Date
7,030,465	$0.60	September 29, 2026
15,657,600	$0.15	October 31, 2024
14,769,300	$0.15	November 30, 2024
5,715,000	$0.15	December 31, 2024
20,069,546	$0.15	January 30, 2025
63,241,911		

As at June 30, 2024, the warrants had a remaining weighted average useful life of 0.66 years (December 31, 2023– 1.16 years).

Reserves

At June 30, 2024, the Company had the following reserves in equity:

Balance at December 31, 2023	-
Finders' warrants issued	1,694,784
Prior Period Adj	(803,542)
Retained Earnings	(22,073,550)
Accumulated other comprehensive income (loss)	10,177
Balance at December 31, 2023	(21,172,131)
Comprehensive loss for six months ended June 30, 2024	(336,333)
Balance at June 30, 2024	(21,508,464)

The option and warrants reserves are used to recognize the value of option and warrant grants respectively

13. REVENUE

The following table presents a disaggregation of revenue by source and timing of revenue recognition.

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Software customization & Improvement Services	75,065	48,588	187,502	73,296
Maintenance	726,199	626,038	1,445,007	1,095,596
Services	95,689	257,000	207,624	826,916
	896,953	931,626	1,840,133	1,995,808

The Company recognized revenues from contracts with customers in accordance with the following timing under IFRS 15. Revenues are recognized at the point in time the Company has provided services to customers. Licensing and maintenance contracts extending over multiple months are recognized in revenue as related core license access, customization and installation of modules, and subsequent maintenance services are provided to the Company's customers. Revenue relating to ongoing contracts is recognized on a monthly basis as services are performed. The Company has elected to adopt the practical expedient of IFRS 15 to not disclose information about remaining performance obligations that have an expected duration of less than one year.

All of the Company's revenue is earned in the United States.

(Expressed in US dollars - Unaudited)

14. COST OF REVENUE

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Consulting	203,732	352,393	426,105	677,958
Equipment and software rentals	162,137	191,332	312,991	306,308
Salaries and benefits	62,776	30,043	137,397	99,739
	428,645	573,768	876,493	1,084,005

15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2,024	**2,023**	**2,024**	**2,023**
Travel & Conveyance	-	48,939	-	91,456
Commissions	-	-	-	-
Director fees	70,000	40,000	140,000	150,000
Dues and subscriptions	-	4,767	-	4,767
Insurance	27,882	35,825	74,735	48,270
Interest and bank charges	15,104	16,891	29,206	35,431
Investor relations	4,580	15,401	27,962	35,319
Licenses and permits	-	100	-	1,250
Office expenses	10,278	46,019	20,718	80,480
Professional fees	90,174	79,828	155,100	114,048
Rent	4,164	134,210	4,164	265,795
Salaries and benefits	100,555	602,991	300,777	1,218,650
Telephone and internet	30,306	36,628	57,150	71,030
	353,043	1,061,599	809,812	2,116,496

16. RESEARCH AND DEVELOPMENT

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Consulting-R&D	-	33,866	-	33,866
Salaries and benefits-R&D	139,254	85,001	198,905	276,368
	139,254	118,867	198,905	310,234

(Expressed in US dollars - Unaudited)

17. SELLING COSTS

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Sales and marketing	61,671	227,561	103,631	434,750
Travel and entertainment	11,197	23,430	23,573	34,560
	72,868	250,991	127,204	469,310

18. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officer

The remuneration of directors and key management personnel during the six months ended June 30, 2024 and 2023 was as follows:

	2024	**2023**
Salaries and benefits	107,740	463,685
Consulting fees	86,464	440,483
Director fees	140,000	55,000
Expense Reimbursement	10,969	-
Interest on Loan	28,666	-
	373,569	959,168

As of June 30, 2024, the Company also owed $43,723 (December 31, 2023- $34,235) to companies controlled by officers and directors, $424 (December 31, 2023- $NIL) to a significant shareholder and $732,975 (December 31, 2023- $578,146) to directors and officers. These balances are unsecured and have no fixed terms of repayment.

19. FINANCIAL INSTRUMENT RISK MANAGEMENT

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	Level in fair value hierarchy	**June 30, 2024**	**December 31, 2023**
FVTPL:			
Cash	Level 1	24,226	23,811
Amortized cost:			
Accounts receivable		200,166	351,197
		224,392	375,008

(Expressed in US dollars - Unaudited)

Financial liabilities included in the statement of financial position are as follows:

	Level in fair value hierarchy	June 30, 2024	December 31, 2023
Amortized cost:			
Accounts payable and accrued liabilities		3,993,585	3,875,683
Term loan		1,146,636	1,079,763
Loan payable		347,513	316,709
		5,487,734	5,272,155

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
b. Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
c. Level 3 – Inputs that are not based on observable market data.

The carrying value of the Company's financial assets and liabilities classified at amortized cost at June 30, 2024 and December 31, 2023 approximate their fair value due to their short terms to maturity.

The carrying value of debt where interest is charged at a fixed rate is not significantly different from the fair value.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits,and controlling and reporting structures.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and trade accounts receivable. The Company limits its exposure to credit loss on cash by placing its cash with a high-quality financial institution. The Company mitigates its credit risk on receivables by actively managing and monitoring its receivables. The Company mitigates credit risk by evaluating the creditworthiness of customers prior to conducting business with them and monitoring its exposure for credit losses with existing customers. Accounts receivables are shown net of any provision made for impairment of the receivables. Due to this factor, the Company believes that no additional credit risk, beyond amounts provided for collection loss, is inherent in accounts receivable.

Expected credit loss ("ECL") analysis is performed at each reporting date using an objective approach to measure expected credit losses. The provision amounts are based on direct management interface with the customer. The calculations reflect the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Accounts receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, business failure, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments over the negotiated contract period.

(Expressed in US dollars - Unaudited)

The Company's aging of trade receivables was as follows:

	June 30, 2024	December 31, 2023
0 – 30 days	133,058	171,998
31 – 60 days	20,344	55,765
61 – 90 days	4,500	16,808
Over 90 days	42,264	106,626
	200,166	351,197

The Company applies a direct customer analysis approach to measure expected credit losses. The Company assesses the collectability of receivables of each customer on an individual basis using quantitative and qualitative information available to management. The historical loss rates are adjusted to reflect the current and forward-looking information on economic factors affecting the ability of the customers to make regular monthly payments on the receivables.

19. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through the issuance of shares. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at June 30, 2024:

	Within one year	Between one and five years	More than five years
Accounts payable and accrued expenses	3,993,585	-	-
Term loan	1,077,363	69,273	-
Lease liabilities	167,126	1,146,366	-
Loan payable	8,772	338,741	-
	5,246,846	1,554,380	-

Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk on its U.S. dollar accounts payable balances and its subsidiary's Canadian dollar accounts payable and bank account. Based on these foreign currency financial instruments held as at June 30, 2024, a 10% change in foreign exchange rates would change the Company's net loss/gain by approximately $12,000 (December 31, 2023- $11,000).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has borrowed on fixed rate of interest. However, future borrowings are subject to interest rate change.

Capital Management

In the management of capital, the Company includes components of stockholders' equity. The Company aims to manage its capital resources to ensure financial strength and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity, debt and bank loans or lines of credit to fund continued growth. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Issuance of equity has been the primary source of capital to date. Additional debt and/or equity financing may be pursued in future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended June 30, 2024. There are no external restrictions on the management of capital.

20. CONCENTRATIONS

Major customers are defined as customers that each individually account for greater than 10% of the Company's annual revenues. As at June 30, 2024, the Company had receivables from three major customers that accounted for approximately 33%, 13% and 12% of receivables (December 31, 2023– 38%, 26% and 8%). For the six months ended June 30, 2024, the Company had revenue from three major that accounted for approximately 23%, 11% and 10% (June 30, 2023- 22%, 13% and 7%) of revenue respectively.

21. SEGMENTED INFORMATION

The Company has one operating segment, being the provider of healthcare administrative software, licensing and maintenance services. All the Company's assets are in the United States. All revenue recognized during the six months ended June 30, 2024, was earned in the United States.