WELL Health
TECHNOLOGIES CORP

WELL HEALTH TECHNOLOGIES CORP.
Audited Annual Consolidated Financial Statements

December 31, 2021

Expressed in thousands of Canadian dollars

Independent auditor's report

To the Shareholders of WELL Health Technologies Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WELL Health Technologies Corp. and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of loss and comprehensive loss for the years ended December 31, 2021 and 2020;
- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of intangible assets acquired in certain business combinations *Refer to note 3 – Significant accounting policies, note 4 – Critical accounting estimates and judgments and note 23 – Business combinations and asset acquisitions to the consolidated financial statements.* During 2021, the Company finalized the purchase price allocations for the Insig, Circle Medical, DoctorCare and Source44 business combinations completed in the year ended December 31, 2020, and the CRH Medical Corporation, IntraHealth and ExecHealth business combinations completed in the year ended December, 31 2021. The majority of intangible assets of $289.8 is related to customer relationships and technology from these business combinations. The determination of the fair value of the intangible assets acquired is based on management's estimates using the excess earnings method and relief from royalty method using discounted cash flow models, as applicable. Significant assumptions included revenue growth rates, customer attrition and discount rates. We considered this a key audit matter due to the judgment applied by management in estimating the fair value of the intangible assets, including the development of significant assumptions. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the significant assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	Our approach to addressing the matter included the following procedures, among others: • Tested how management estimated the fair value of the intangible assets of the finalized acquisitions, which included the following: − Read the purchase agreements. − Evaluated the appropriateness of management's excess earnings method and relief from royalty method using discounted cash flow models and tested the mathematical accuracy thereof. − Tested the underlying data used by management in the discounted cash flow models. − Evaluated the reasonableness of significant assumptions used by management related to revenue growth rates and customer attrition by considering the past performance of the acquired companies, and revenue growth rates from similar prior acquisitions made by the Company, as applicable. − Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the appropriateness of management's excess earnings method and relief from royalty method using discounted cash flow models, as well as certain significant assumptions such as customer attrition and discount rates.

Key audit matter	How our audit addressed the key audit matter
	• Assessed the related disclosures in the consolidated financial statements.
Impairment assessment of goodwill *Refer to note 3 – Significant accounting policies, note 4 – Critical accounting estimates and judgments and note 13 – Property and equipment, intangible assets and goodwill to the consolidated financial statements.* The Company had goodwill of $611.7 million as at December 31, 2021. The Company assesses whether there has been an impairment in the carrying amount of goodwill at least annually or whenever an indicator of impairment exists. An impairment loss is recognized if the carrying amount of a cash generating unit (CGU) to which the goodwill relates exceeds its recoverable amount. The recoverable amounts of the CGUs were determined based on the value in use method using discounted cash flow models. Value in use calculations require management to make certain assumptions, including significant estimates about revenue growth rates, terminal growth rates and discount rates. No impairment was recognized as a result of the 2021 impairment review. We considered this a key audit matter due to (i) the significance of the goodwill balance and (ii) the judgment made by management in determining the recoverable amounts of the CGUs, including the use of certain assumptions. This has resulted in a high degree of subjectivity and audit effort in performing audit procedures to test these assumptions. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amount of certain CGUs, which included the following: – Tested the appropriateness of the method used and the mathematical accuracy of the discounted cash flow models. – Tested the reasonableness of revenue growth rates, terminal growth rates and discount rates applied by management in the discounted cash flow models by comparing them to the budget, management's plans and available third party published economic data. – Professionals with specialized skill and knowledge in the field of valuation assisted in testing the reasonableness of the discount rates applied by management based on available data of comparable companies. – Tested the underlying data used in the discounted cash flow models. • Assessed the related disclosures in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for anesthesia services *Refer to note 3 – Significant accounting policies, note 4 – Critical accounting estimates and judgments and note 5 – Revenue to the consolidated financial statements.* For the year ended December 31, 2021, revenue recognized from Omni-channel Patient Services was $226.6 million and as at December 31, 2021, accounts receivable for Omni-channel Patient Services - Specialized - CRH was $40.3 million, of which a significant portion of each relate to anesthesia services. Anesthesia service revenues are recognized upon completion of anesthesia procedures for each patient and are recognized net of contractual adjustments and implicit price concessions. Due to such contractual adjustments and implicit price concessions, the transaction price for these services is considered to be variable. Significant judgment is involved in determining the estimated revenues at year-end. Management follows a portfolio approach in estimating the variable consideration based on assumptions related to the historical trend of cash collections from third-party payors and contractual adjustments and implicit price concessions for each payor type. We considered this a key audit matter due to the significant judgments and assumptions used by management to estimate revenues that will be collected in the future due to the judgment required in estimating cash collections from third-party payors and contractual adjustments and implicit price concessions for each payor type. This in turn resulted in a high degree of auditor judgment, significant audit effort and subjectivity in performing procedures.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined anesthesia revenue and related receivables, which included the following: – Evaluated the reasonableness of estimated future collections by reference to the Company’s historical trend of cash collections and contractual adjustments and implicit price concessions by payor type. – Compared the actual cash collections to the anesthesia services revenue accrual recorded on a sample basis. – Tested anesthesia services cash collections subsequent to year end on a sample basis by comparing the revenue accrual to the amounts actually collected. • Assessed the related disclosures in the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Robert Coard.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 31, 2022

WELL Health Technologies Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in thousands of Canadian dollars unless otherwise stated, except per share and share amounts)

	Years ended	
	December 31, 2021	December 31, 2020 restated (Note 23)
	$'000	$'000
Revenue (Note 5)	**302,324**	50,240
Expenses		
Cost of sales (excluding depreciation and amortization)	**(148,629)**	(29,025)
General and administrative (Note 6)	**(102,510)**	(22,376)
Depreciation and amortization (Note 13)	**(38,216)**	(4,592)
Stock-based compensation (Note 20)	**(21,012)**	(4,975)
Foreign exchange loss	**(4,749)**	(195)
Operating loss	**(12,792)**	(10,923)
Interest income (Note 7)	**555**	454
Interest expense (Note 7)	**(8,992)**	(1,935)
Time-based earn-out expense	**(5,085)**	(1,864)
Income tax (expense) recovery (Note 19)	**(5,921)**	4,362
Change in fair value of investments	**-**	6,905
Other income	**1,549**	341
Net loss for the period before share of net loss of associates	**(30,686)**	(2,660)
Share of net loss of associates	**(209)**	(587)
Net loss for the period	**(30,895)**	(3,247)
Net (loss) income for the period attributable to:		
Owners of WELL Health Technologies Corp.	**(43,787)**	(3,723)
Non-controlling interests	**12,892**	476
	(30,895)	(3,247)
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss:		
Exchange difference on translation of foreign operations	**6,091**	(853)
Total comprehensive loss for the period	**(24,804)**	(4,100)
Total comprehensive (loss) income for the period attributable to:		
Owners of WELL Health Technologies Corp.	**(37,658)**	(4,493)
Non-controlling interests	**12,854**	393
	(24,804)	(4,100)
Loss per share attributable to WELL Health Technologies Corp.		
Basic and diluted	**(0.23)**	(0.03)
Weighted average number of common shares outstanding		
Basic and diluted	**190,900,309**	133,911,242

The accompanying notes are an integral part of these audited consolidated financial statements.

WELL Health Technologies Corp.

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars unless otherwise stated)

As at	**December 31, 2021 $'000**	December 31, 2020 restated (Note 23) $'000
Assets		
Current		
Cash and cash equivalents	**61,919**	86,890
Restricted cash	**-**	4,169
Accounts and other receivables (Note 8)	**66,592**	8,654
Inventory	**793**	1,268
Lease receivable – current (Note 18(b))	**520**	282
Other assets – current (Note 9)	**13,084**	2,114
Total current assets	**142,908**	103,377
Financial assets at fair value through profit and loss (Note 10)	**5,392**	304
Investment accounted for using the equity method (Note 11)	**5,453**	5,042
Lease receivable – non-current (Note 18(b))	**2,210**	1,521
Other assets – non-current (Note 9)	**644**	246
Property and equipment (Note 13(a))	**88,551**	20,892
Intangible assets (Note 13(b))	**405,518**	40,220
Goodwill (Note 13(b))	**611,747**	94,007
Total assets	**1,262,423**	265,609
Liabilities and equity		
Current		
Accounts payable and accrued liabilities	**38,669**	7,418
Unearned revenue (Note 14)	**4,242**	2,900
Notes payable and other borrowings (Note 16)	**45,914**	753
Lease liability (Note 18(a))	**7,217**	2,618
Convertible debentures (Note 17)	**4,235**	-
Deferred acquisition costs - current (Note 15(a))	**24,344**	1,315
Other liabilities – current (Note 15(b))	**12,675**	8,788
Total current liabilities	**137,296**	23,792
Notes payable and other borrowings - non-current (Note 16)	**253,125**	948
Lease liability – non-current (Note 18(a))	**53,971**	19,249
Convertible debentures - non-current (Note 17)	**37,474**	-
Deferred tax liabilities (Note 12)	**10,662**	2,352
Unearned revenue - non-current (Note 14)	**510**	-
Deferred acquisition costs – non-current (Note 15(a))	**61,259**	844
Other liabilities – non-current (Note 15(b))	**76**	76
Total liabilities	**554,373**	47,261
Equity		
Share capital (Note 20)	**633,509**	231,885
Contributed surplus (Note 20)	**43,988**	6,374
Accumulated other comprehensive income (loss)	**5,383**	(746)
Accumulated deficit	**(64,643)**	(20,860)
Equity attributable to owners of WELL Health Technologies Corp.	**618,237**	216,653
Non-controlling interests	**89,813**	1,695
Total equity	**708,050**	218,348
Total equity and liabilities	**1,262,423**	265,609

Commitments and contingencies (Note 15(c))
Events after the reporting period (Note 26)

Approved by the Directors:

"Hamed Shahbazi" *"Thomas Liston"*

WELL Health Technologies Corp.
Statements of Changes in Equity
(Expressed in thousands of Canadian dollars unless otherwise stated, except share amounts)

		Attributable to owners of WELL Health Technologies Corp.						
	Number of Shares	Share Capital $'000	Contributed Surplus $'000	Accumulated other comprehensive income (loss) $'000	Accumulated Deficit $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at December 31, 2020	**162,998,852**	**231,885**	**6,374**	**(69)**	**(20,823)**	**217,367**	**1,608**	**218,975**
Finalization of 2020 PPA – amortisation adjustment (Note 13(b))	-	-	-	-	(322)	(322)	-	(322)
Prior year business combination	-	-	-	(677)	285	(392)	87	(305)
Restated balance at December 31, 2020	**162,998,852**	**231,885**	**6,374**	**(746)**	**(20,860)**	**216,653**	**1,695**	**218,348**
Private placement (Note 20)	30,867,324	302,500	-	-	-	302,500	-	302,500
Share issue costs (Note 20)	-	(4,170)	-	-	-	(4,170)	-	(4,170)
Options exercised (Note 20)	501,075	684	(288)	-	-	396	-	396
Warrants exercised (Note 20)	119,656	172	(64)	-	-	108	-	108
Shares issued for RSUs/PSUs (Note 20)	2,323,769	8,245	(8,245)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs (Note 15(a))	20,809	67	-	-	-	67	-	67
Shares issued for settlement of note payable (Note 16)	1,479,692	10,096	-	-	-	10,096	-	10,096
Shares issued for time-based earnout payments	127,104	868	-	-	-	868	-	868
Shares issued for consideration in business combinations (Note 23)	10,279,355	79,798	-	-	-	79,798	-	79,798
Shares issued for working capital holdback	429,826	3,364	-	-	-	3,364	-	3,364
Stock-based compensation (Note 20)	-	-	21,012	-	-	21,012	-	21,012
Non-controlling interests via business combination (Note 23)	-	-	-	-	-	-	88,966	88,966
Distributions	-	-	-	-	-	-	(13,725)	(13,725)
Other transactions with non-controlling interests	-	-	157	-	4	161	23	184
Conversion rights of convertible debentures (Note 17)	-	-	25,042	-	-	25,042	-	25,042
Foreign currency translations of foreign subsidiaries	-	-	-	6,129	-	6,129	(38)	6,091
(Loss)/income for the period	-	-	-	-	(43,787)	(43,787)	12,892	(30,895)
Balance at December 31, 2021	**209,147,462**	**633,509**	**43,988**	**5,383**	**(64,643)**	**618,237**	**89,813**	**708,050**
Balance at December 31, 2019	**115,571,194**	**45,412**	**3,671**	**24**	**(17,137)**	**31,970**	**32**	**32,002**
Private placements	23,283,903	117,888	-	-	-	117,888	-	117,888
Share issue costs net of $1,413,286 of deferred tax	-	(4,080)	-	-	-	(4,080)	-	(4,080)
Options exercised (Note 20)	621,175	629	(289)	-	-	340	-	340
Agents warrants exercised (Note 20)	1,155,528	1,332	(439)	-	-	893	-	893
Shares issued for deferred acquisition costs (Note 15(a)) and time-based earnout expense	78,592	178	-	-	-	178	-	178
Shares issued for investment in associate	2,625,204	3,754	-	-	-	3,754	-	3,754
Shares issued for acquisitions	7,788,830	50,403	-	-	-	50,403	-	50,403
Share issuance costs	-	(177)	-	-	-	(177)	-	(177)
Conversion rights of convertible debentures (Note 17)	-	-	744	-	-	744	-	744
Shares issued for conversion of convertible debentures (Note 17)	10,572,065	15,369	(1,111)	-	-	14,258	-	14,258
Shares issued for RSUs/PSUs (Note 20)	1,302,361	1,177	(1,177)	-	-	-	-	-
Stock-based compensation (Note 20)	-	-	4,975	-	-	4,975	-	4,975
Foreign currency translations of foreign subsidiaries	-	-	-	(93)	-	(93)	(40)	(133)
Non-controlling interests via business combinations (Note 23)	-	-	-	-	-	-	1,245	1,245
Transactions with non-controlling interest	-	-	-	-	-	-	(105)	(105)
(Loss)/income for the period	-	-	-	-	(3,686)	(3,686)	476	(3,210)
Balance at December 31, 2020	**162,998,852**	**231,885**	**6,374**	**(69)**	**(20,823)**	**217,367**	**1,608**	**218,975**

The accompanying notes are an integral part of these audited consolidated financial statements.

WELL Health Technologies Corp.
Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars unless otherwise stated)

	Years ended	
		Restated (Note 23)
	December 31, 2021	December 31, 2020
	$'000	$'000
Cash flows provided by/(used in)		
Operating activities		
Net loss for the period	**(30,895)**	(3,247)
Adjustments to net loss for non-cash items:		
Interest income accretion	**(119)**	(164)
Interest expense accretion and accreted interest on convertible debentures	**3,865**	1,839
Time-based earnout expense	**868**	101
Exchange difference on foreign currency translation of foreign subsidiaries and others	**891**	(86)
Change in fair value of investments	**-**	(6,905)
Depreciation and amortization (Note 13)	**38,216**	4,592
Deferred income tax recovery (Note 12)	**-**	(4,868)
Share of loss of associates	**209**	587
Stock-based compensation (Note 20)	**21,012**	4,975
Loan forgiveness included in other income	**(519)**	-
Gain on asset disposition	**(64)**	-
Change in non-cash operating items (Note 24)	**(11,196)**	(2,207)
Net cash provided by/(used in) operating activities	**22,268**	(5,383)
Investing activities		
Restricted cash	**4,169**	(4,107)
Business acquisitions, net of cash acquired (Notes 23 & 24)	**(417,183)**	(25,742)
Asset acqusitions (Notes 23 & 24)	**(49,793)**	-
Acquisition transaction costs included in accounts payable and accrued liabilities	**(24,239)**	-
Share issuance costs related to business acquisitions	**-**	(177)
Equity and debt investments in associates and others (Note 24)	**(3,123)**	(9,805)
Other transactions with non-controlling interests	**181**	-
Acquisition of property and equipment	**(2,682)**	(1,135)
Working capital holdbacks	**(5,651)**	(373)
Deferred acquisition costs (Note 15(a))	**(1,457)**	(2,869)
Net cash used in investing activities	**(499,778)**	(44,208)
Financing activities		
Private placements (Note 20)	**302,500**	117,888
Share issue costs (Note 20)	**(4,170)**	(5,494)
Convertible debentures	**70,000**	11,000
Debt issuance costs	**(3,890)**	(846)
Payment of interest on convertible debentures	**-**	(658)
Loan advances	**141,759**	50
Loan repayments	**(35,536)**	-
Options exercised	**523**	341
Agent warrants exercised	**108**	893
Transactions with non-controlling interests	**(13,721)**	(105)
Distribution from equity investment	**109**	-
Lease payments	**(5,657)**	(2,671)
Lease payments received	**505**	439
Net cash provided by financing activities	**452,530**	120,837
Effects of foreign exchange rate in cash and cash equivalents	**9**	-
Net change in cash	**(24,971)**	71,246
Cash and cash equivalents - beginning of period	**86,890**	15,644
Cash and cash equivalents - end of period	**61,919**	86,890

The accompanying notes are an integral part of these audited consolidated financial statements.

1. Nature of operations

WELL Health Technologies Corp. (the "Company") is an omni-channel digital health company. Its objective is to empower doctors to provide advanced care while leveraging the latest trends in digital health technology.

The Company was incorporated under the Business Corporations Act of British Columbia on November 23, 2010. The Company's common shares trade on the Toronto Stock Exchange (the "TSX") under the symbol WELL.

The Company's head office is located at Suite 550 - 375 Water Street, Vancouver, BC, V6B 5C6.

The Company's Board of Directors approved these annual consolidated financial statements on March 31, 2022.

2. Basis of presentation

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The preparation of annual consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. 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. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual consolidated financial statements are disclosed in note 4.

These annual consolidated financial statements have been prepared on the historical cost basis except with respect to certain financial instruments which are measured at fair value (note 25). All financial information in these annual consolidated financial statements, except share and per share amounts, is presented in thousands of Canadian dollars.

New IFRS pronouncements

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16–Interest Rate Benchmark Reform–Phase 2

In August 2020, the IASB issued amendments to IFRS 9, Financial Instruments; IAS 39, Financial Instruments: Recognition and Measurement; IFRS 7, Financial Instruments: Disclosures; IFRS 4, Insurance Contracts; and IFRS 16, Leases as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising in connection with reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one. The amendments were effective January 1, 2021. As at December 31, 2021, these amendments did not affect our financial statements as the Company has not yet transitioned any agreements that are exposed to the London Inter-bank Offered Rate (LIBOR) to an alternative benchmark interest rate. The Company is working with our lenders on the replacement of the affected rates, which is not expected to result in a significant change in our interest rate risk management strategy or our interest rate risk. Our revolving credit facility

with JPMorgan Chase Bank ("JPM") is our most significant financial instrument that is exposed to LIBOR. These financial instruments are based on LIBOR settings that are currently scheduled to cease publication after June 30, 2023. The Company will continue to monitor developments on alternative benchmark interest rates and expects to transition to alternative rates as widespread market practice is established.

Amendments to IAS 12 – Income Taxes

In May, 2021, the IASB issued amendments to IAS 12, Income Taxes. The amendments will require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments help to clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The effective date is for annual periods beginning on or after January 1, 2023, with early adoption permissible. The Company is evaluating these amendments but do not expect them to have a material effect on our consolidated financial statements.

As at December 31, 2021 there are no other IFRS or IFRC interpretations with future effective dates that are expected to have a material impact on the Company.

3. Significant accounting policies

The significant accounting policies used in the preparation of these annual consolidated financial statements are described below.

a) Basis of measurement

These annual consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value (note 25).

b) Consolidation and business combinations

These annual consolidated financial statements incorporate the assets and liabilities of the Company and its subsidiaries and the results of the Company and its subsidiaries for the years ended December 31, 2021, and 2020.

Control over a subsidiary exists when the Company is exposed to and has the rights to variable returns of the subsidiary and has the ability to affect those returns through its power over the entity. The existence and effect of voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Company and are deconsolidated from the date control ceases. Intercompany transactions, balances, and unrealized gains/losses on transactions between subsidiaries are eliminated on consolidation.

The Company applies the acquisition method to account for business combinations. Consideration for the acquisition of a subsidiary is measured at fair value and includes assets transferred, equities issued as well as any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interests at the non-controlling interest's

proportionate share of the fair value of the net assets acquired. Acquisition related costs are expensed as incurred.

Goodwill is initially measured as the excess of the consideration paid over the fair value of net identifiable assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of loss and comprehensive loss.

The Company recognizes contingent consideration relating to its business acquisitions at fair value at the date the transaction closes and revalues the component of contingent consideration recognized as a liability at each subsequent reporting date and on settlement through earnings. Contingent consideration that will be settled by delivering a fixed number of common shares is classified as equity and not revalued at each subsequent reporting date.

Asset acquisitions are accounted for at cost. The acquisition cost includes directly related acquisition costs and transaction costs. The cost of the acquisition is allocated to the net assets acquired on a relative fair value basis. Contingent consideration, where the arrangement is not a derivative, is recognized when it is probable and estimable. After the initial acquisition accounting, changes in contingent and deferred consideration are recorded as an adjustment to the related asset.

The Company's policy is to recognize any non-controlling interest on consolidation at the fair value of the proportionate share of the net assets acquired. Where the Company acquires an asset via a step transaction, the Company remeasures any previously held interest to fair value.

c) Foreign currency translation

Functional and presentation currency

The Company's annual consolidated financial statements are presented in Canadian dollars.

Each entity of the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The determination of functional currency is based on the primary economic environment in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity.

The functional currency of Circle Medical Technologies, Inc. ("Circle Medical"), CRH Medical Corporation ("CRH"), WISP Inc. ("WISP) is the US dollar. The functional currency of Intrahealth Systems Limited and Intrahealth Australia Limited is the Australian dollar, and the functional currency of Intrahealth New Zealand Limited is the New Zealand dollar. The functional currency of all other entities in the group is the Canadian dollar.

The Company's annual consolidated financial statements are presented in Canadian dollars. The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statements of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;

- income and expenses for each consolidated statement of loss and comprehensive loss are translated at the average exchange rate for that period (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income (loss) as a currency translation adjustment.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (or using the average rate for the period when this is a reasonable approximation). Foreign exchange gains and losses resulting from the translation or settlement of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statements of loss or comprehensive loss.

d) Cash and cash equivalents, and restricted cash

Cash and cash equivalents in the annual consolidated statements of financial position and annual consolidated statements of cash flows comprise cash in banks and short-term monetary instruments with initial maturities of three months or less when purchased or which are redeemable at face value on demand.

Restricted cash in the annual consolidated statements of financial position and annual consolidated statements of cash flows comprise cash and/or deposits held in trust by escrow agent(s) related to the closing of acquisitions.

e) Financial instruments

(i) Financial Assets

Financial assets are classified into one of the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through the consolidated statement of income (loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets, and the contractual cash flows.

The Company measures financial assets (except for those classified as fair value through profit or loss) at their fair value plus transaction costs. Transaction costs of financial assets carried at fair value through profit or loss ("FVPL") are expensed in the consolidated statement of loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is recognized using the effective interest method. Foreign exchange gains and losses as well as any gain or loss arising on derecognition are recognized in the consolidated statement of loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). Movements in the carrying amount are recorded through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the consolidated statement of loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated statement of loss.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in the consolidated statement of loss.

Equity Instruments

Unless an election is made, the Company subsequently measures all equity investments at fair value through profit or loss. Where the Company has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of loss following the derecognition of the investment.

Changes in the fair value of financial assets at FVPL are recognized in the annual consolidated statement of loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

Under IFRS 9, the Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(ii) Financial Liabilities

Under IFRS 9, the Company's financial liabilities are classified into one of the two categories: at FVPL or at amortized cost.

- FVPL: Financial liabilities carried at FVPL are initially recorded at fair value and transaction costs are expensed in the annual consolidated statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial liabilities held at FVPL are generally recognized in the annual consolidated statement of loss in the period in which they arise. This includes contingent consideration in business combinations.
- Financial liabilities at amortized cost: Financials liabilities carried at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

(iii) Derivative Financial Instruments

A contract that could result in the delivery of a variable number of the Company's own common shares is considered a financial instrument and is measured at FVPL. Directly attributable transaction costs are expensed through the annual consolidated statement of loss.

(iv) Compound Financial Instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. If the conversion feature meets the definition of equity, the fair value of the liability component is estimated at the date of issue of the instrument using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability (net of transaction costs) on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. Transaction costs are apportioned between the liability and equity components of the convertible instruments, based on the allocation of proceeds to the financial liability and equity components when the instruments are initially recognized. Interest related to the financial liability component is recognized in the consolidated statement of loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

If the conversion feature of a convertible instrument issued does not meet the definition of an equity instrument, it is classified as an embedded derivative and measured accordingly. The debt component of the instrument is determined by deducting the fair value of the equity conversion option at inception from the fair value of the consideration received for the instrument as a whole. This amount (the debt component) is recorded as a liability on an amortized cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

f) Investments in Associates and Joint Ventures

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the annual consolidated financial statements include the Company's share of the profit or loss and OCI of these entities, until the date on which significant influence or joint control ceases.

g) Share-based compensation

Stock-based compensation includes expenses related to the vesting of stock options as well as equity settled restricted share units ("RSUs") and performance share units ("PSUs").

Stock options

The fair value of stock options is measured at grant date and each tranche is recognized on a straight-line basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model ("BSM") taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The BSM requires management to estimate the expected volatility, the term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. In estimating expected volatility, the Company considers the historical share price volatility of its common shares as well the historical share price of similar publicly listed entities.
The fair value of share options is charged to profit or loss with a corresponding increase in contributed surplus within equity. Previously recognized expenses are not subsequently reversed for options that vest but are not exercised. If and when share options are ultimately exercised, the applicable amount of contributed surplus is transferred to share capital.

RSUs and PSUs

The fair value of equity settled RSUs and PSUs that contain performance conditions is measured at grant date and each tranche is recognized on a straight-line basis over the period during which the RSUs/PSUs vest. The fair value of the RSUs/PSUs is measured based on the closing price of the Company's common shares on the date of grant. The fair value of RSUs/PSUs is charged to profit or loss with a corresponding increase in contributed surplus within equity. The amount recognized as an expense is based on the estimate of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Upon vesting of equity settled RSUs/PSUs, the related contributed surplus associated with the RSU/PSU is reclassified into share capital.

h) Revenue recognition

The Company determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract, or contracts with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations.

The Company generates its revenue from the following sources:

Omni-channel Patient Services revenue

Omni-channel patient services revenue is derived from (a) the provision of patient services, (b) the provision of anesthesia services, (c) ligator product sales, and (d) executive health memberships.

Patient services revenue is revenue earned at a single point in time and is generated through the Company's medical clinics and virtual platforms and consists of both non-insured and insured services. Public insured services refer to revenue generated for providing publicly accessible healthcare services that are reimbursed by the provincial health authorities. Other non-insured services are not eligible for government reimbursement, and as such are charged directly to patients and/or third parties. The Company's performance obligations for clinical services are satisfied as services are rendered. For insured and non-insured services, cash is typically collected within one month of the appointment visit.

Anesthesia service revenues are derived from anesthesia procedures performed under CRH Medical Corporation's ("CRH") professional services agreements. The fees for such services are billed either to a third-party payor, including Medicare or Medicaid, or to the patient. The Company recognizes anesthesia service revenues, net of contractual adjustments, which are estimated based on the historical trend of cash collections and contractual adjustments. There is significant judgment involved in determining the estimated revenues that will be collected in the future due to the judgment required in estimating the amounts that third party payors will pay for services based on past collections. Anesthesia services procedures for each patient qualify as a distinct performance obligation, as they are provided simultaneously with other readily available resources during the service procedure. The transaction price is variable; variable consideration relates to contractual allowances, credit provisions and other discounts. IFRS requires management to estimate the transaction price, including any implicit concessions from the credit approval process. The Company adopted a portfolio approach to estimate variable consideration transaction price by payor type (patient, government and/or insurer) and the specifics of the services being provided. These portfolios share characteristics such that the results of applying a portfolio approach are not materially different than if the standard was applied to individual patient contracts. Revenue is recognized upon completion of the services.

The Company recognizes revenue from sale of its ligator products at the time the product is shipped, which is when title passes to the customer, and when all significant contractual obligations have been satisfied, collection is probable, and the amount of revenue can be estimated reliably. Product sales contracts generally contain a single distinct performance obligation, but multiple performance obligations may exist when multiple product types are ordered by a physician in a contract. The transaction price for product sales is fixed and no variable consideration exists. Contract consideration is allocated to each distinct performance obligation in the contract based upon available stand-alone selling prices obtained from historical sales transactions for each product. Shipping services performed after control has passed to the customer, if any, are separate performance obligations, but are determined to be nominal.

Executive health membership revenue from private and corporate clients is recognized rateably over the contractual term of membership.

Virtual Services revenue

Virtual services revenue is derived from (a) the provision of Electronic Medical Records ("EMR") services, (b) the provision of cybersecurity consulting services, hardware, and software license, (c) the provision of telehealth services, and (d) the provision of billing services.

EMR services revenue is revenue earned over a period of time and is generated by providing support, hosting, and related services to clinics across Canada that use the OSCAR and Intrahealth EMR systems. EMR services revenue are typically for terms ranging from monthly to annually and are prepaid by customers in advance of the Company rendering the service. The Company's EMR service arrangements are non-cancelable and do not contain refund-type provisions. The Company's performance obligations for digital services are satisfied as services are rendered over the term of service arrangement. Cash is typically collected upfront prior to services being rendered.

Cybersecurity services revenue is generated primarily from:

(a) consulting services which consist of assessing a customer's cybersecurity vulnerabilities. The Company recognizes revenue when the vulnerability report is delivered to the customer. Consulting services revenue also includes revenue from security support services, incident response services, and are in general recognized over the time period the services are delivered;

(b) hardware sales are recognized when control has passed to the customer, which is usually upon delivery of the product to the customer; and

(c) software license sales and software support are assessed on a case-by-case basis to determine if the transaction contains a single or multiple performance obligation and if the Company is acting as the principal or as an agent. If the Company determines it is acting as the principal, the Company records revenue on a gross basis. If the Company determines it is acting as an agent, the Company records revenue on a net basis.

Telehealth services revenue is generated primarily from patient visits to its platform to have access to the Company's professional provider network of medical practitioners. Revenue is generated mainly on a per-telehealth visit basis. Revenue is recognized when the performance obligation is satisfied, which occurs when the patients have access to the medical practitioners via the Company's telehealth platform. The Company also generates subscription revenue from medical practitioners' access to the Company's telehealth platform to service their patients. Revenue is recognised over the period of time the medical practitioners have access to the platform.

The Company generates revenue on a recurring basis, typically via a monthly subscription fee from providing billing-as-a-service "BaaS" outsourcing services to physicians. The Company recognizes revenue from the related services over the period during which the contract covers as this is consistent with the period during which the performance obligation is completed.

Determining when a performance obligation has been satisfied requires judgment. The Company's revenues are recognized as services are provided. The Company believes that this method faithfully depicts the transfer of the services and the satisfying of performance obligations.

See Note 5 for a breakdown of the Company's revenue from contracts with customers. See Note 8 for the Company's balance of accounts receivable, all of which is attributable revenue generated from contracts with customers.

As at December 31, 2021, and December 31, 2020, the Company had $4,752 and $2,900, respectively, of unearned revenue related to services not yet rendered. All of this amount is related to service contracts that had an original expected duration of one year or less.

All revenues are recorded at the amount received or receivable from customers.

i) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the annual consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in OCI or equity, respectively.

Current tax is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of deferred tax consequences attributable to unused tax loss carry-forwards, unused tax credits and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit;
- goodwill; and
- investments in subsidiaries, branches and associates, and interests in joint arrangements where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred income tax assets and liabilities are presented as non-current and are determined on a non-discounted basis.

j) Share capital

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognized as a deduction from equity. Share issuance costs consist of legal and other costs relating to raising capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value of the services provided.

k) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares issued and outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants, and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of

the proceeds that could be obtained upon exercise of options, warrants, and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

l) Property and equipment

Property and equipment are stated at cost, less accumulated depreciation, amortization and impairment losses. Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is calculated using the straight-line method to allocate their cost net of their residual values over their estimated useful lives as follows:

- Computer equipment — 3 years
- Furniture and fixtures — 5 years
- Medical equipment — 5 – 15 years
- Right-of-use assets — Term of the right of use plus renewal options
- Leasehold improvements — Term of lease plus renewal options

m) Intangible assets

The Company's intangible assets consist of customer relationships, brand, technology, professional services agreements, licenses, and goodwill, which arose from business combinations and asset acquisitions (Note 13).

Amortization is calculated using the straight-line method allocate their cost net of their residual values over their estimated useful lives as follows:

- Customer relationships — 3 - 10 years
- Brand — 10 years
- Technology — 5 - 10 years
- Professional services agreement — 10 - 15 years
- Licenses — Indefinite

Goodwill is carried at cost less accumulated impairment losses. The Company assesses whether there has been an impairment in the carrying amount of goodwill at least annually or whenever an indicator of impairment exists. An impairment loss is recognized if the carrying amount of a cash generating unit (CGU) to which the goodwill relates exceeds its recoverable amount. Impairment losses on goodwill are not reversed.

n) Leases

IFRS 16 introduced a single, on-balance sheet accounting model for lessees that is similar to the former finance lease accounting, with limited exceptions for short-term leases or leases of low-value assets. Lessees recognize a right-of-use asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments.

At the inception of a lease contract, the Company assesses whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys that right of control of the use of an identified

asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period, and; (iii) the Company has the right to direct the use of the asset.

Leases

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company presents right-of-use assets in property and equipment. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term plus expected renewal options which are available to the Company. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any identified, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate for leases.

Lease payments included in the measurement of the lease liability are comprised of: (i) fixed payments; (ii) variable lease payments that depend on an index rate, initially measured using the index as at the commencement date; (iii) amounts expected to be payable under a residual value guarantee; (iv) the exercise price under purchase option that the Company is reasonably certain to exercise; (v) lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and (vi) penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company recognizes a depreciation charge for right-of-use assets and interest expense on lease liabilities in the consolidated statement of loss.

On the annual consolidated statement of cash flows, the Company includes repayments of the principal portion of the lease liabilities under financing activities whereas before the implementation of IFRS 16

they were included in cash flows from operations. Lease payments for short-term leases, lease payment for leases of low-value assets that are not included in the measurement of the lease liability are classified as cash flows from operating activities.

Subleases

In classifying a sublease, the Company classifies the sublease as a finance lease, or an operating lease as follows:

- If the head lease is a short-term lease, the sublease is classified as an operating lease.
- Otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning its financial future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management also needs to exercise judgment in applying the group's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Revenue recognition

Estimates are required in the determination of anesthesia services revenues and the recoverability of the related trade receivables. The Company recognizes anesthesia service revenues, net of contractual adjustments and implicit price concessions, which are estimated based on the historical trend of cash collections and contractual adjustments.

Impairment testing of goodwill and other intangible assets

The Company tests at least annually whether goodwill and indefinite lived intangibles have suffered any impairment, in accordance with the requirements of IAS 36 Impairment of Assets. The recoverable amounts of cash-generating units are determined based on the greater of their fair value less costs of disposal and value in use. These calculations, which include a discounted cash flow model, require the use of estimates.

For the purposes of impairment testing, assets are grouped into CGUs that have been identified as being the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows of other assets or groups of assets. The determination of these CGUs is based on management's judgment with regards to shared infrastructure, geographical proximity, product type and other relevant factors.

Value in use calculations require management to make certain assumptions, including significant estimates about forecasted revenue levels and growth rates, operating margins, and discount rates. In arriving at its forecasts, the Company considered historical performance, current industry trends, and market opportunities.

Recognition of contingent consideration

In certain acquisitions, the Company may include contingent consideration which is subject to the acquired business achieving certain performance targets. At the date of acquisition and at each subsequent reporting period, the Company estimates the future performance of acquired businesses, which are subject to contingent consideration, in order to assess the probability that the acquired business will achieve its performance targets and thus earn its contingent consideration. Any changes in the fair value of the contingent consideration classified as a liability between reporting periods are included in the determination of net income or loss. Changes in fair value arise as a result of various factors, including the estimated probability of the acquired business achieving its earnings targets.

Initial recognition of right-of-use assets, lease receivable and liability

The preparation of annual consolidated financial statements requires that the Company's management makes assumptions and estimates on the classification of leases and the right-of-use assets. When assessing the classification of a lease agreement, certain estimates and assumptions need to be made and applied, which include, but are not limited to, the determination of the expected lease term and minimum lease payments, implicit borrowing rate, the assessment of the likelihood of exercising renewal options, annual inflation factor and estimation of the fair value of the lease property at lease inception.

Business combinations

On the completion of business acquisitions, management's judgment is required to estimate the fair value of purchase consideration and to identify and estimate the fair values of assets, liabilities, and non-controlling interests. The determination of the fair value of assets and liabilities acquired is based on management's estimates using the excess earnings method and relief from royalty method to value intangible assets using discounted cash flow models. Significant assumptions included revenue growth rates, customer attrition and discount rates.

5. Revenue

The following table shows the details of revenues for the years ended December 31, 2021, and 2020:

	Years ended			
	December 31, 2021		December 31, 2020	
	$'000		$'000	
Public insured	**96,510**	**32%**	29,505	59%
Non-public and other	**130,167**	**43%**	7,243	14%
Omni-channel Patient Services	**226,677**	**75%**	36,748	73%
Virtual Services	**75,647**	**25%**	13,492	27%
Total Revenue	**302,324**	**100%**	50,240	100%

6. General and administrative expenses

The following table shows the details of general and administrative expenses for the years ended December 31, 2021, and 2020:

	Years ended	
	December 31, 2021 $'000	December 31, 2020 $'000
Wages and benefits	**52,178**	12,723
Professional and consulting fees	**19,313**	4,615
Office expenses	**5,268**	2,043
Marketing and promotion	**15,775**	1,593
Others	**9,976**	1,402
	102,510	22,376

7. Interest

The following table shows a breakdown of interest income and interest expense for the years ended December 31, 2021, and 2020:

	Years ended	
	December 31, 2021 $'000	December 31, 2020 $'000
Interest accretion on subleases	**110**	116
Interest income on cash and cash equivalents and others	**445**	338
Interest income	**555**	454
Interest accretion on leases	**(1,634)**	(890)
Accretion of discount on deferred acquisition costs (Note 13(a))	**(1,174)**	(144)
Interest on convertible debentures	**(641)**	(805)
Interest on note payable and other borrowings	**(5,273)**	(96)
Amorization of deferred financing fees	**(270)**	-
Interest expense	**(8,992)**	(1,935)

8. Accounts and other receivables

The following table shows the details of the Company's accounts and other receivables at December 31, 2021 and December 31, 2020:

	December 31, 2021 $'000	December 31, 2020 $'000
Accounts Receivable - gross	**67,683**	8,894
Less Expected credit losses	**(1,091)**	(240)
	66,592	8,654
Accounts receivable - gross		
Omni-channel Patient Services - Specialized - CRH	**40,269**	-
Omni-channel Patient Services - Specialized - MyHealth	**12,204**	-
Omni-channel Patient Services - Primary	**6,823**	2,827
Virtual Services and others	**8,387**	6,067
	67,683	8,894

The Company evaluates credit losses on a periodic basis based on the aging and collectability of its receivables. As at December 31, 2021, the Company recognized expected credit losses of $1,091 (December 31, 2020 - $240), which has been recorded as a reduction of accounts receivable. The expected lifetime credit loss provision for our trade receivables is based on historical counterparty default rates and adjusted for relevant forward-looking information as required.

9. Other assets

	December 31, 2021 $'000	December 31, 2020 $'000
Current:		
Prepayments	**4,688**	612
Income tax receivable	**4,712**	-
Others	**3,684**	1,502
	13,084	2,114
Non-current:		
Others	**644**	246
	13,728	2,360

10. Financial assets at fair value through profit and loss

These investments were recognized as equity and debt instruments under IFRS 9 and are measured at fair value through profit and loss (FVPL) with accrued interest income (where applicable). As they are

private companies, the fair value of shares was not readily determinable, and the fair value measurement of the asset has been categorized within Level 3 of the fair value hierarchy (Note 25(b)). The Company initially measured the investment at fair value with cost as the best estimate. As at December 31, 2021, the Company determined that the fair value of the investment approximated its cost.

(a) Investment in Twig Fertility Co. ("Twig")

On February 3, 2021, the Company invested $250 into shares of Twig Fertility Co. Twig is a reproductive start-up looking to create the next generation of fertility care.

(b) Investment in 10432423 Canada Ltd. dba Bright ("Bright")

On July 20, 2021, the Company invested $250 into shares of Bright. Bright is a B2B technology service provider that has developed a virtual wellness program for on-site and work-from-home teams.

(c) Investment in 9338-7900 Quebec Inc. dba Tap Medical ("Tap Medical")

On November 12, 2021, the Company invested $250 in Tap Medical, an online service to book a health appointment, of which $125 was paid as of December 31, 2021 and the remaining balance on February 22, 2022.

(d) Convertible Debt Investment in 11855760 Canada Inc. dba Tali.ai ("Tali.ai")

On December 13, 2021, the Company entered into a secured convertible promissory note transaction with Tali.ai for $1,000. The convertible promissory note bears interest at a rate of 8% per annum, with a maturity date of December 13, 2025, of which $500 of which was paid as of December 31, 2021.

(e) Convertible Debt Investment in Cherry Health Inc. ("Cherry Health")

On December 24, 2021, the Company entered into a secured convertible promissory note transaction with Cherry Health for $250. The convertible promissory note bears interest at a rate of 8% per annum, with a maturity date of December 23, 2024.

11. Investment accounted for using equity method

The Company has interests in associates that are accounted for using the equity method.

Name of entity	Place of business/ country of incorporation	% of ownership interest	Date of ownership	Nature of relationship	Carrying value
Simpill Health Group Inc. ("Pillway")	Canada	25%	December 2, 2020	Associate (1)	$4,668
Western Carolina Sedation Associates LLC. ("WCSA")	US	15%	April 23, 2021	Associate (2)	$200
Focus Mental Wellness Inc. ("Focus Mental")	Canada	20%	October 14, 2021	Associate (3)	$585

(1) Pillway is a digital pharmacy that provides e-prescription products and services in Canada.
(2) WCSA is an anesthesia services provider located in North Carolina in which the Company, via its subsidiary CRH Medical Corporation, owns a 15% interest.
(3) Focus Mental Wellness Inc. (formerly known as "Hasu Behavioural Health") is a virtual online therapy clinic that provides secure online video, phone and text therapy for individuals and their families struggling with mental health issues.

The tables below provide summarised annual financial information for associate entities. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts.

Summarised balance sheet	**December 31, 2021 $ '000**	December 31, 2020 $ '000
Current assets	**4,780**	5,156
Non-current assets	**619**	228
Total assets	**5,399**	5,384
Curret liabilities	**(312)**	(127)
non-curren liabilities	**(242)**	(171)
Total liabilities	**(554)**	(298)
Net assets	**4,845**	5,086
Revenue	**3,323**	92
Net loss	**(520)**	(24)
WELL's share of net loss	**(209)**	(6)

12. Deferred tax assets (liabilities)

As at December 31, 2021, the Company had net recognized deferred tax (liabilities) assets related to its operations. The Company has recorded deferred income tax assets available as it is probable that the benefits of these assets will be realized. Movement in the deferred tax balances is recorded in the consolidated statement of loss and in business combinations as described in Note 23. The following table summarizes the Company's recognized deferred tax assets as at December 31, 2021 and December 31, 2020:

	December 31, 2021 $'000	December 31, 2020 $'000
Deferred income tax assets:		
Non-capital loss carry-forwards	**4,153**	2,977
Property and equipment	**1,722**	1,126
Share and debt transaction costs	**1,510**	1,413
Accounts receivable	**1,101**	-
Accrued interest	**1,593**	-
ROU Assets, lease receivable, and lease liabilities	**286**	214
Contingent liability	**1,902**	-
Stock-based compensation	**1,606**	-
Deferred income tax liabilities:		
Intangible assets	**(24,519)**	(8,082)
Other	**(16)**	-
Net deferred income tax (liabilities) assets	**(10,662)**	(2,352)

As at December 31, 2021, the Company also has unrecognized deferred tax assets related to its operations. These deferred tax assets have not been recognized in the consolidated statements of financial position because of the significant uncertainty regarding whether such benefits will be realized. The following table summarizes the Company's unrecognized deferred tax assets as at December 31, 2021 and December 31, 2020:

	December 31, 2021 $'000	December 31, 2020 $'000
Non-capital loss carryforwards	**39,846**	2,632
Fixed assets	**9,561**	-
Share and debt transaction costs	**7,376**	-
ROU Assets, lease receivable, and lease liabilities	**1,321**	-
Convertible debentures	**642**	-
Charitable donations	**102**	-
Unrecognized deferred tax assets	**58,848**	2,632

13. Property and equipment, Intangible assets and Goodwill

(a) Property and equipment

	Computer Equipment	Furniture and Fixtures	Medical Equipment	Leasehold Improvements	Construction in progress	Right-of-use assets	Total
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Opening net book balance January 1, 2020	189	67	59	49	164	11,944	12,472
Additions	685	47	337	65	-	1,112	2,246
Acquired via business combinations (Note 23)	77	53	91	40	-	8,211	8,472
							-
Transfers	-	-	-	164	(164)	-	-
End of lease/Early terminations	-	-	-	-	-	(38)	(38)
Exchange difference	-	-	-	-	-	(114)	(114)
Depreciation for the period	(179)	(20)	(73)	(31)	-	(1,843)	(2,146)
Closing net book balance December 31, 2020	772	147	414	287	-	19,272	20,892
As at December 31, 2020:							
Cost	1,029	184	501	328	-	22,496	24,538
Accumulated depreciation	(257)	(37)	(87)	(41)	-	(3,224)	(3,646)
	772	147	414	287	-	19,272	20,892
Opening net book balance January 1, 2021	772	147	414	287	-	19,272	20,892
Additions	707	214	1,310	323	-	9,528	12,082
Acquired via business combinations (Note 23)	1,394	1,117	24,493	4,166	-	32,911	64,081
							-
Transfers	-	-	-	-	-	-	-
End of lease/Early terminations	-	-	-	-	-	(900)	(900)
Exchange difference	(29)	(31)	3	-	-	70	13
Depreciation for the period	(726)	(111)	(1,201)	(683)	-	(4,896)	(7,617)
Closing net book balance December 31, 2021	2,118	1,336	25,019	4,093	-	55,985	88,551
As at December 31, 2021:							
Cost	3,280	1,793	26,303	4,823	-	63,539	99,738
Accumulated depreciation	(1,162)	(457)	(1,284)	(730)	-	(7,554)	(11,187)
	2,118	1,336	25,019	4,093	-	55,985	88,551

The Company had the following classes of right-of-use assets as of December 31, 2021 and 2020. Depreciation amounts and net book balance amounts by class for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended	
	December 31, 2021	December 31, 2020
	$'000	$'000
Office and clinics premises	**4,747**	1,815
Office and medical Equipment	**144**	19
Automobile	**5**	9
Depreciation	**4,896**	1,843

	December 31, 2021 $'000	December 31, 2020 $'000
Office and clinics premises	**55,608**	18,746
Office and medical Equipment	**374**	518
Automobile	**3**	8
Net book balance	**55,985**	19,272

(b) Intangible assets and Goodwill

	Customer relationships $'000	Technology $'000	Brand $'000	Licences and Patents $'000	Intangibles Total $'000	Goodwill $'000
COST						
Balance at December 31, 2019	11,924	-	-	-	**11,924**	**13,579**
PPA adjustment	-	-	-	-	**-**	**3,251**
Acquired via business combinations	12,052	-	-	-	**12,052**	**93,289**
Balance at December 31, 2020	23,976	-	-	-	**23,976**	**110,119**
PPA finalization	5,008	14,036	531	-	**19,575**	**(15,649)**
Exchange difference	-	(258)	-	-	**(258)**	**(462)**
Restated balance at December 31, 2020	28,984	13,778	531	-	**43,293**	**94,008**
Acquired via business combinations (Note 23)	260,672	10,206	-	40,248	**311,126**	**513,960**
Acquired via asset acquisitions (Note 23)	79,073	-	-	1,105	**80,178**	**-**
Exchange difference	8,049	99	-	-	**8,148**	**3,779**
Balance at December 31, 2021	**376,778**	**24,083**	**531**	**41,353**	**442,745**	**611,747**
ACCUMULATED AMORTIZATION						
Balance at December 31, 2019	(624)	-	-	-	**(624)**	**-**
Amortization for the period	(2,125)	-	-	-	**(2,125)**	**-**
Balance at December 31, 2020	(2,749)	-	-	-	**(2,749)**	**-**
Amortization for the period	(124)	(177)	(22)	-	**(323)**	**-**
Restated balance at December 31, 2020	(2,873)	(177)	(22)	-	**(3,072)**	**-**
Amortization for the period	(28,237)	(2,309)	(53)	-	**(30,599)**	**-**
Exchange difference	(3,540)	(16)	-	-	**(3,556)**	**-**
Balance at December 31, 2021	**(34,650)**	**(2,502)**	**(75)**	**-**	**(37,227)**	**-**
NET CARRYING AMOUNTS						
As at December 31, 2019	11,300	-	-	-	**11,300**	**13,579**
As at December 31, 2020	21,227	-	-	-	**21,227**	**110,119**
As at December 31, 2020, restated	26,111	13,601	509	-	**40,221**	**94,008**
As at December 31, 2021	**342,128**	**21,581**	**456**	**41,353**	**405,518**	**611,747**

During the year ended December 31, 2021, the Company finalized the purchase accounting for the fair values of the assets and liabilities of Cycura Inc. ("Cycura"), DoctorCare Inc. ("DoctorCare"), Armin Ghayyur Physiotherapist Corporation ("EasyAllied"), Insig Corporation ("INSIG"), Circle Medical Technologies, Inc. ("Circle"), Source44 Consulting Incorporated ("S44"), ExcelleMD Inc. and VirtuelMED

Inc. ("ExcelleMD"), Adracare Inc. ("Adracare"), Intrahealth Systems Limited ("Intrahealth"), CRH Medical Corporation ("CRH"), and ExecHealth Inc. ("ExecHealth"). As a result, fair values of $265,680, $531, and $24,243 were recognized as Customer relationships, Brand, and Technology respectively, with a corresponding decrease in goodwill as of December 31, 2021 (see Note 23).

The Company tests whether Goodwill has suffered any impairment on an annual basis. The Company tests Goodwill for impairment on an annual basis as at September 30 or when indicators exist. The recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management. The Company identified the following CGUs, which were tested for impairment: (i) Clinical, (ii) CRH Anesthesia, (iii) CRH Product, (iv) MyHealth, (v) Intrahealth, (vi) WEG (WELL EMR Group), (vii) Billing (DoctorCare), (viii) Circle Medical, (ix) Adracare, (x) Insig, (xi) Source44, (xii) Cycura.

Clinical

The Company completed the annual impairment test for its Clinical CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $26,301 and the carrying amount of the CGU was $40,102. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 6.3%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 8%.

The estimated recoverable amount exceeded the carrying amount by $38,932. The Company determined that a reasonably possible change in these assumptions would have the following impact, and that change in one of the assumptions does not cause a materially consequential change in one of the other assumptions used.

- A 1% change in growth rate would result in a change in the recoverable amount of $1,747
- A 1% change in the terminal growth rate would result in a change in the recoverable amount of $11,351
- A 1% change in the discount rate would result in a change in the recoverable amount of $13,098

CRH Anesthesia

The Company completed the annual impairment test for its CRH Anesthesia CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $148,068 and the carrying amount of the CGU was $429,511. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 7.3%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 2%; and
- a discount rate of 6.7%.

The estimated recoverable amount exceeded the carrying amount by $764,722. The Company determined that a reasonably possible change in these assumptions would have the following impact, and that change in one of the assumptions does not cause a materially consequential change in one of the other assumptions used.

CRH Product

The Company completed the annual impairment test for its CRH Product CGU as at September 30, 2021. As at September 30, 2021, the carrying value of Goodwill allocated to this CGU was $106,682 and the carrying amount of the CGU was $134,265. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 5%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 2%; and
- a discount rate of 5.8%.

The estimated recoverable amount exceeded the carrying amount by $88,592. The Company determined that a reasonably possible change in these assumptions would have the following impact, and that change in one of the assumptions does not cause a materially consequential change in one of the other assumptions used.

- A 1% change in growth rate would result in a change in the recoverable amount of $4,631
- A 1% change in the terminal growth rate would result in a change in the recoverable amount of $39,939
- A 1% change in the discount rate would result in a change in the recoverable amount of $45,808

MyHealth

The Company completed the annual impairment test for its MyHealth CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $164,150 and the carrying amount of the CGU was $189,802. However, this amount remains provisional as at December 31, 2021. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 5%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 7.5%.

The estimated recoverable amount exceeded the carrying amount by $132,932.

Intrahealth

The Company completed the annual impairment test for its Intrahealth CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $8,581 and the carrying amount of the CGU was $14,463. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 9%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 8%.

The estimated recoverable amount exceeded the carrying amount by $4,990. The Company determined that a reasonably possible change in these assumptions would have the following impact, and that change in one of the assumptions does not cause a materially consequential change in one of the other assumptions used.

- A 1% change in growth rate would result in a change in the recoverable amount of $4,355
- A 1% change in the terminal growth rate would result in a change in the recoverable amount of $2,854
- A 1% change in the discount rate would result in a change in the recoverable amount of $3,482

WEG (WELL EMR Group)

The Company completed the annual impairment test for its WEG CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $13,386 and the carrying amount of the CGU was $32,601. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 8%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 7.6%.

The estimated recoverable amount exceeded the carrying amount by $24,247. The Company determined that a reasonably possible change in these assumptions would have the following impact, and that change in one of the assumptions does not cause a materially consequential change in one of the other assumptions used.

- A 1% change in growth rate would result in a change in the recoverable amount of $5,151
- A 1% change in the terminal growth rate would result in a change in the recoverable amount of $9,231
- A 1% change in the discount rate would result in a change in the recoverable amount of $10,391

Billing (DoctorCare)

The Company completed the annual impairment test for its DoctorCare CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $8,416 and the carrying amount of the CGU was $11,645. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 21%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 7.6%.

The estimated recoverable amount exceeded the carrying amount by $31,183 The Company determined that a reasonably possible change in these assumptions would have the following impact, and that change in one of the assumptions does not cause a materially consequential change in one of the other assumptions used.

- A 1% change in growth rate would result in a change in the recoverable amount of $3,960
- A 1% change in the terminal growth rate would result in a change in the recoverable amount of $7,070
- A 1% change in the discount rate would result in a change in the recoverable amount of $8,116

Circle Medical

The Company completed the annual impairment test for its Circle Medical CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $21,067 and the carrying amount of the CGU was $37,639. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 73%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 7.2%.

The estimated recoverable amount exceeded the carrying amount by $272,112.

Adracare

The Company completed the annual impairment test for its Adracare CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $3,983 and the carrying amount of the CGU was $4,513. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 17%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 7.6%.

The estimated recoverable amount exceeded the carrying amount by $2,152. The Company determined that a reasonably possible change in these assumptions would have the following impact, and that change in one of the assumptions does not cause a materially consequential change in one of the other assumptions used.

- A 1% change in growth rate would result in a change in the recoverable amount of $793
- A 1% change in the terminal growth rate would result in a change in the recoverable amount of $1,303
- A 1% change in the discount rate would result in a change in the recoverable amount of $1,489

Insig

The Company completed the annual impairment test for its Insig CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $28,851 and the carrying amount of the CGU was $34,613. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 44%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 7.6%.

The estimated recoverable amount exceeded the carrying amount by $8,397. The Company determined that a reasonably possible change in these assumptions would cause the carrying amount of the CGU to exceed the recoverable amount determined.

- A 1% change in growth rate would result in a change in the recoverable amount of $3,356
- A 1% change in the terminal growth rate would result in a change in the recoverable amount of $7,443
- A 1% change in the discount rate would result in a change in the recoverable amount of $8,464

Source44

The Company completed the annual impairment test for its Source44 CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $7,549 and the carrying amount of the CGU was $9,508. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 22%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 7.6%.

The estimated recoverable amount exceeded the carrying amount by $59,289.

Cycura

The Company completed the annual impairment test for its Cycura CGU as at September 30, 2021. As at September 30, 2021, the carrying value of goodwill allocated to this CGU was $1,598 and the carrying amount of the CGU was $2,621. In completing the impairment test, the Company calculated the recoverable amount of the CGU as its value in use. The value in use was calculated using a discounted cash flow model. The key assumptions used in the model were:

- the average annual growth rate for the CGU's revenue was 41%. This growth rate was estimated based on historical growth and management's expectations of market development;
- a terminal growth rate of 3%; and
- a discount rate of 7.6%

The estimated recoverable amount exceeded the carrying amount by $107,340.

14. Unearned revenue

	December 31, 2021 $'000	December 31, 2020 $'000
Balance, beginning of period	**2,900**	384
Acquired via business combinations (Note 23)	**2,177**	1,545
Billings	**13,665**	9,122
Revenue recognized	**(13,990)**	(8,151)
Balance, end of the period	**4,752**	2,900
Current portion of Unearned revenue	**4,242**	2,900
Non-current portion of Unearned revenue	**510**	-
Balance, end of the period	**4,752**	2,900

15. Deferred Acquisition Costs and other liabilities

(a) Deferred Acquisition Costs

Deferred acquisition costs are certain time-based earn-out payments that are treated as purchase consideration for business combinations and asset acquisitions (Note 23).

Deferred Acquisition Costs	December 31, 2021 **$'000**	December 31, 2020 $'000
Current:	**24,344**	1,315
Non-current:	**61,259**	844
	85,603	2,159

	$'000
Balance at December 31, 2019	2,848
Additions via business combinations (Note 23)	2,113
Accretion of discount	144
Settlement in cash	(2,869)
Settlement in common shares	(77)
Balance at December 31, 2020	**2,159**
Additions via business combinations and asset acquisitions (Note 23)	83,656
Accretion of discount	1,174
Settlement in cash	(1,457)
Settlement in common shares	(67)
Exchange difference	138
Balance at December 31, 2021	**85,603**
Current portion of deferred acquisition costs	24,344
Non-current portion of deferred acquisition costs	61,259
Balance at December 31, 2021	**85,603**

(b) Other Liabilities

	December 31, 2021 **$'000**	December 31, 2020 $'000
Current:		
Working Capital Holdback	**882**	6,751
Others	**11,793**	2,037
	12,675	8,788
Non-current:		
Others	**76**	76

(c) Maturities of financial liabilities

		Payments due by Period			
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
At December 31, 2021	**$'000**	$'000	$'000	$'000	$'000
Deferred acquisition costs and time-based earnouts	**105,483**	31,160	54,963	17,954	1406
Lease obligations' minimum payments	**75,126**	9,773	18,189	16,319	30,845
Accounts payable and accrued liabilities	**38,688**	38,688	-	-	-
Working capital holdbacks	**882**	882	-	-	-
Other current and non-current liabilities	**11,868**	11,792	76	-	-
Notes payable and other borrowings	**299,842**	45,914	518	253,410	-
Convertible debentures	**89,635**	4,235	7,700	77,700	-
Other operating commitments	**1,134**	1,134	-	-	-
	622,658	**143,578**	**81,446**	**365,383**	**32,251**

16. Notes payable and other borrowings

	December 31, 2021 $'000	December 31, 2020 $'000
Current portion:		
RBC	**25,767**	-
Others	**20,147**	753
	45,914	753
Non-current portion:		
RBC	**46,408**	-
JPM	**205,676**	-
Others	**1,041**	948
	253,125	948
Total	**299,039**	1,701

CRH's revolving credit facilities with JPMorgan Chase Bank ("JPM")

The Company, through its wholly-owned subsidiary, CRH, holds a syndicated four-year revolving credit facility with JPM as syndicate lead which provides up to US$175 million in borrowing capacity and access to an accordion feature that increases the amount of the credit available to the Company by US$125 million. Interest on the facility is calculated with reference to LIBOR plus 1.25% to 2.5%, dependent on the total leverage ratio of the consolidated results of CRH. The JPM facility is secured by the assets of CRH and matures on April 22, 2025. Under the JPM facility, there are no quarterly or annual repayment requirements. As of December 31, 2021, the Company had drawn US$162,864 ($206,479) under this facility.

MyHealth's credit facilities with Royal Bank of Canada ("RBC")

The Company, through its wholly-owned subsidiary, MyHealth, holds a syndicated four-year revolving credit facility and a term loan with RBC as syndicate lead which provides an up to $90 million revolving facility, a $50 million term loan facility and access to an accordion feature that increases the amount of the credit available to the Company by $60 million. Interest on the facility is calculated with reference to CDOR plus 1.50% to 3.25%, dependent on the total funded debt to EBITDA ratio of the consolidated results of MyHealth. The RBC facility is secured by the assets of MyHealth and matures on July 15, 2025. Under the RBC facility, there is a $625 quarterly repayment requirement, with the first repayment paid on December 31, 2021. As of December 31, 2021, the Company had drawn $72,775 under this facility.

Promissory note issued to MyHealth's previous shareholders

As part of the purchase consideration of the acquisition of MyHealth in July 2021 (Note 23), the Company issued a $30 million promissory note on July 15, 2021. The amount is to be repaid in three $10 million tranches, in cash, common shares, or a combination of both at the discretion of the Company, on the

third, sixth, and nine months following the issue date. Interest on the note is calculated with reference to CDOR plus 1.50% to 3.25%, dependent on the total funded debt to EBITDA ratio of the consolidated results of MyHealth. On October 13, 2021, the Company settled the first tranche including accrued interest with an issuance of 1,479,692 units of common shares. On January 11, 2022, the Company settled the second tranche including accrued interest in full with cash.

As at December 31, 2021, the Company is required to maintain the following financial covenants in respect of the credit facilities based on the consolidated results of CRH and MyHealth:

Financial Covenant	CRH Required Ratio	MyHealth Required Ratio
Total Leverage Ratio	Not greater than 3.5:1.00	-
Total Funded Debt to EBITDA Ratio	-	Not greater than 5.00:1.00
Fixed Charge Coverage Ratio	Not less than 1.20:1.00	Not less than 1.15:1.00

The Company was in compliance with all covenants as at December 31, 2021.

The consolidated minimum loan payments (principal) for CRH and MyHealth loan agreements in the future are as follows:

At December 31, 2021	CRH Minimum Principal US$'000	MyHealth Minimum Principal $'000
2022	-	2,500
2023	-	2,500
2024	-	2,500
2025	162,864	65,275
	162,864	72,775

17. Convertible debentures

June 2019 convertible debentures

On June 13, 2019, the Company issued 10,500 units of unsecured convertible debentures at one thousand dollars per unit for gross proceeds of $10,500. The notes are convertible into common shares of the Company, at the option of the holder, at $0.95 per share, with a maturity date of June 30, 2024. The convertible debentures bear interest at a rate of 8% per annum, from the date of issue, payable semi-annually in arrears in cash on June 30 and December 31 each year.

As of December 31, 2019, $5,000 of convertible debentures had been converted to 5,263,153 common shares. On July 31, 2020 the Company announced the conversion of all outstanding convertible debentures to common shares by the end of August 2020. On August 31 2020, all remaining outstanding debentures were converted to common shares.

March 2020 convertible debentures

On March 11, 2020, the Company issued 11,000 units of unsecured convertible debentures at one thousand dollars per unit for gross proceeds of $11,000. The notes are convertible into common shares of the Company, at the option of the holder, at $2.30 per share, with a maturity date of March 31, 2025. The convertible debentures bear interest at a rate of 10% per annum, from the date of issue, payable semi-annually in arrears in cash on March 31 and September 30 each year.

On July 31, 2020, the Company announced the conversion of all outstanding convertible debentures to common shares by the end of August 2020. On August 24 2020, all remaining outstanding debentures were converted to common shares.

November 2021 convertible debentures

On November 25, 2021, the Company issued 70,000 units of unsecured convertible debentures at one thousand dollars per unit for gross proceeds of $70,000. The notes are convertible into common shares of the Company, at the option of the holder, at $9.23 per share, at any time prior to one business day preceding the maturity date of December 31, 2026. The convertible debentures bear interest at a rate of 5.5% per annum, from the date of issue, payable semi-annually in arrears in cash on June 30 and December 31 each year. First interest payment will include interest from close date up to (but excluding) June 30, 2022.

Of the gross proceeds of $70,000, $43,479 was allocated to the liability component of the convertible debentures and $26,521 to the equity component (conversion right feature). Financing costs incurred in connection with the issuance of convertible debentures totalled $3,890. Financing costs were allocated based on the relative values of the liability and equity components at initial recognition. The allocated costs were netted against each component. Interest on the net liability-component is determined using the effective interest method (19.63% annualised) and accreted over the term of the debentures.

	Jun 2019 $'000	Mar 2020 $'000	Nov 2021 $'000	Total $'000
Balance as of December 31, 2019	4,700	-	**-**	**4,700**
Proceeds from the issuance of convertible debentures, March 11, 2020	-	11,000	**-**	**11,000**
Less transaction costs	-	(846)	**-**	**(846)**
	-	10,154	**-**	**10,154**
Amount classified as equity (conversion rights), net of transaction costs	-	(744)	**-**	**(744)**
Interest accreted (Note 7)	218	587	**-**	**805**
Interest paid	(158)	(499)	**-**	**(657)**
Amount transferred to equity upon conversion	(4,760)	(9,498)	**-**	**(14,258)**
Balance as of December 31, 2020	**-**	**-**	**-**	**-**
Proceeds from the issuance of convertible debentures, November 25, 2021	-	-	70,000	**70,000**
Less transaction costs	-	-	(3,890)	**(3,890)**
	-	-	66,110	**66,110**
Amount classified as equity (conversion rights), net of transaction costs	-	-	(25,042)	**(25,042)**
Interest accreted (Note 7)	-	-	641	**641**
Interest paid	-	-	-	**-**
Balance as of December 31, 2021	-	-	41,709	**41,709**
Current (Interest payable within one year)	-	-	4,235	**4,235**
Non-current	-	-	37,474	**37,474**
	-	-	41,709	**41,709**

18. Leases

The Company leases various office and clinic spaces for its operations, and subleases its excess office and clinic spaces to subtenants. The Company also leases computer related equipment and automobile.

(a) Lease liability

On adoption of IFRS 16 at January 1, 2019, the Company recognized $12,815 in lease liability in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments plus anticipated exercise of renewal options, discounted using the incremental borrowing rates as of January 1, 2019, which were estimated to be between 5.9% to 6.1%. New leases entered were discounted using the rates prevailing on the respective commencement dates, which ranged from 3.15% to 4.45% for the year ended December 31, 2020, and 2.37% to 4.27% for the year ended December 31, 2021.

The Company's lease liabilities as at December 31, 2021 and 2020 are as follows**:**

	December 31, 2021	December 31, 2020
	$'000	$'000
Lease liability current	**7,217**	2,618
Lease liability non-current	**53,971**	19,249
Total lease liability	**61,188**	21,867

The Company leases various properties, office and medical equipment, and automobiles.

- Rental contracts are typically made for fixed periods of 1 to 15 years but may have extension options ranging from 3 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. As at December 31, 2021, the Company had rental contracts for 91 properties (2020 – 31), with an average remaining life to expiry (including extension term) of 7.08 years (2020 – 7.85).
- Automobile lease is for a period of 4 years with an end-of-lease buyout option. As at December 31, 2021, the Company had 1 automobile lease (2020 – 1), with a remaining life to end of lease of 0.58 years (2020 – 1.58).
- As at December 31, 2021, the Company had 6 leases (2020 – 6) with an average term of 5.47 years (2020 – 5.47) for office and medical equipment, and with an average remaining life of 2.77 years to end of lease (2020 – 3.77).

Interest expense on lease liabilities is recognized in profit and loss, and lease payments recognized in the financing component of statement of cash flows are as follows:

	$'000
Balance at December 31, 2019	**14,479**
Exchange difference	(115)
End of lease/Early termination	(38)
New leases	1,111
Acquisitions during 2020 (Note 23)	8,211
Interest accretion (Note 7)	890
Lease cash payments	(2,671)
Balance at December 31, 2020	**21,867**
Exchange difference	(158)
End of lease/Early termination	(964)
New leases	9,668
Acquisitions during 2021 (Note 23)	34,798
Interest accretion (Note 7)	1,634
Lease cash payments	(5,657)
Balance at December 31, 2021	**61,188**

During the year ended December 31, 2021, the Company recognized $4,896 (2020 - $1,843) of depreciation expense related to right-of-use assets – see note 12 for further information.

As at December 31, 2021, the minimum payments under lease liabilities are as follows:

	$'000
Not later than one year	9,773
Later than one year and not later than five years	34,508
Beyond 5 years	30,845
	75,126

(b) Lease receivable

On adoption of IFRS 16 at January 1, 2019, the Company recognized $2,386 in lease receivable (related to excess clinic spaces subleased to other parties) in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These assets were measured at the present value of the remaining lease recoveries plus anticipated exercise of renewal options, discounted using the incremental borrowing rates, which ranged between 2.37% to 4.475% for the year ended December 31, 2021 (2020 – 3.15% to 4.45%).

The Company's lease receivable as at December 31, 2021 and December 31, 2020 are as follows**:**

	December 31, 2021	December 31, 2020
	$'000	$'000
Lease receivable current	**520**	282
Lease receivable non-current	**2,210**	1,521
Total lease receivable	**2,730**	1,803

Rental contracts for office subleases are typically made for fixed periods of 1 to 10 years but may have extension options ranging from 5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at December 31, 2021 and 2020, the Company had rental contracts for 11 properties (2020 – 9), with an average remaining life to expiry (including extension term) of 6.09 years (2020 – 5.83).

Lease receivable interest income recognized in profit and loss and lease recoveries recognized in the financing component of statement of cash flows are as follows:

	$'000
Balance at December 31, 2019	**2,126**
Interest income (Note 7)	116
Lease payments received	(439)
Balance at December 31, 2020	**1,803**
New leases	139
Acquisitions during 2021	1,183
Interest income (Note 7)	110
Lease payments received	(505)
Balance at December 31, 2021	**2,730**

As at December 31, 2021, the minimum rent expected to be received under lease receivables are as follows:

	$'000
Year 1	644
Year 2	523
Year 3	403
Year 4	333
Year 5	298
Year 6 +	1,223
	3,424

Included in Other income in the annual consolidated statement of loss is $64 (2020 - $56) related to income from Office subleases that are classified as operating leases.

19. Income tax

Reported income tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates to loss before income tax due to the following:

	For the years ended	
	December 31, 2021	December 31, 2020
	$'000	$'000
Loss before income tax	**(24,974)**	(7,609)
Canadian statutory income tax rate	**27%**	27%
Expected income tax recovery on loss before tax	**(6,743)**	(2,054)
Adjusted for the effects of:		
Change in unrecognized deferred tax assets	**13,067**	876
Stock based compensation	**3,470**	-
Share issue costs	**(1,126)**	-
Other expenses not deductible for tax purposes	**1,279**	(57)
Foreign rate differences	**441**	-
Effects of tax rate changes	**75**	-
Other	**718**	92
Adjustments for prior periods	**(1,835)**	(3,219)
Income attributable to non-controlling interest	**(3,425)**	-
Income tax expense (recovery)	**5,921**	(4,362)

As at December 31, 2021, the Company also has unrecognized deferred tax assets related to its operations. These deferred tax assets have not been recognized in the consolidated statements of financial position because of the significant uncertainty regarding whether such benefits will be realized.

The following table summarizes the Company's unrecognized deferred tax assets as at December 31, 2021 and December 31, 2020:

	December 31, 2021	December 31, 2020
	$'000	$'000
Non-capital loss carryforwards	**39,846**	2,632
Fixed assets	**9,561**	-
Share and debt transaction costs	**7,376**	-
ROU Assets, lease receivable, and lease liabilities	**1,321**	-
Convertible debt	**642**	-
Charitable donations	**102**	-
Unrecognized deferred tax assets	**58,848**	2,632

The Company has net operating losses which are available to reduce further year's taxable income in their respective country. The Company's recognized and unrecognized non-capital loss carry forwards expire as follows:

	Canada	United States	Australia	New Zealand	Total
	$'000	$'000	$'000	$'000	$'000
2034	187	-	-	-	187
2035	-	-	-	-	-
2036	30	-	-	-	30
2037	60	-	-	-	60
2038	2,157	-	-	-	2,157
2039	5,721	8,068	-	-	13,789
2040	12,131	1,618	873	910	15,532
2041	22,539	1,793	38	33	24,403
Total	**42,825**	**11,479**	**911**	**943**	**56,158**

20. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Issued Common Shares

As at December 31, 2021, the issued share capital consisted of 209,147,462 (December 31, 2020 – 162,998,852) common shares.

c) Private Placements

During the year ended December 31, 2021, the Company completed a financing for $302,500. The financing was structured as a non-brokered offering of subscription receipts at a price of $9.80 per subscription receipt. Share issue costs incurred for the year totalled $4,170.

d) Normal Course Issuer Bid ("NCIB")

On March 23, 2020, the Company announced the NCIB of up to 5,943,822 common shares (5% of the issued and outstanding shares), commencing on March 25, 2020 and over the next 12-month period. No shares were purchased in conjunction with the NCIB.

On May 10, 2021, the Company announced that the Notice of an Intention it filed to make an NCIB was approved by the TSX. Under the NCIB, the Company may acquire up to an aggregate of 4,879,031 common shares from May 12, 2021 to May 11, 2022. In accordance with TSX rules, daily purchases made by the Company on the TSX will not exceed 260,501 common shares, subject to certain prescribed exemptions, being 25% of the average daily trading volume over the preceding six calendar months of 1,042,004 common shares. No shares have been purchased in conjunction with this NCIB.

e) Convertible debentures

During the year ended December 31, 2021 and 2020, nil and 10,572,065 shares were issued upon the conversion of convertible debentures.

f) Options to purchase common shares

(i) Movement in share options

The changes in share options during the years ended December 31, 2021 and December 31, 2020 were as follows:

	December 31, 2021		December 31, 2020	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Balance outstanding, beginning of year	**6,974,099**	**1.03**	6,547,774	0.65
Options granted	**163,000**	**5.46**	1,125,000	2.91
Options exercised	**(501,075)**	**(0.76)**	(621,175)	(0.55)
Expired/Cancelled	**(198,750)**	**(5.07)**	(77,500)	(0.59)
Balance outstanding, end of period	**6,437,274**	**1.03**	6,974,099	1.03

During the year ended December 31, 2021 and 2020, the Company recognized $1,610 and $1,651 respectively, of stock-based compensation expense through the annual consolidated statements of loss related to stock options.

(ii) Share options outstanding at the end of the period

The following table summarizes information concerning outstanding and exercisable options of the Company as at December 31, 2021:

Options outstanding	**Options exercisable**	**Exercise price $**	**Weighted average remaining contractual life (years)**
407,774	407,774	0.25	0.46
894,690	894,690	0.39	0.96
2,469,000	2,384,630	0.50	1.40
355,000	228,441	0.43	2.06
1,270,310	653,445	1.42	2.54
708,750	227,498	2.24	3.35
236,750	71,064	3.25	3.59
95,000	23,750	6.94	3.94
6,437,274	**4,891,292**		**1.87**

The weighted average exercise price of options exercisable as at December 31, 2021 is $0.73 (December 31, 2020 - $0.52).

g) Restricted Share Units ("RSUs")

The changes in RSUs during the years ended December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
	Number of RSUs	Number of RSUs
Balance outstanding, beginning of year	**3,564,497**	2,230,995
Units granted	**3,473,584**	2,565,822
Units forfeited	**(641,837)**	(87,175)
Units vested	**(2,028,521)**	(1,145,145)
Balance outstanding, end of period	**4,367,723**	3,564,497

During the years ended December 31, 2021 and 2020, the Company recognized $14,720 and $2,888, respectively, of stock-based compensation expense through the annual consolidated statements of loss related to RSUs.

h) Performance Share Units ("PSUs")

The changes in PSUs during the years ended December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
	Number of PSUs	Number of PSUs
Balance outstanding, beginning of year	**719,729**	320,267
Units granted	**1,373,059**	565,254
Units vested	**(295,248)**	(157,216)
Units forfeited	**(292,449)**	(8,576)
Balance outstanding, end of period	**1,505,091**	719,729

During the years ended December 31, 2021 and 2020, the Company recognized $4,682 and $436, respectively, of stock-based compensation expense through the annual consolidated statements of loss related to PSUs.

i) Agent's Warrants

The changes in agent's warrants during the years ended December 31, 2021 and 2020 were as follows:

	December 31, 2021		December 31, 2020	
	Number of agent's warrants	**Weighted average exercise price $**	Number of agent's warrants	Weighted average exercise price $
Balance outstanding, beginning of year	119,656	0.91	1,275,184	0.79
Agent's warrants exercised	(119,656)	(0.91)	(1,155,528)	(0.77)
Balance outstanding, end of period	-	-	119,656	0.91

21. Related Party Transactions

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's Board of Directors and members of the senior executive team. During the fourth quarter of 2021, the Company re-evaluated the classification of certain employees as key management personnel

due to continued growth and organizational changes, resulting in an overall reduction in the number of persons considered to be key management personnel. Starting the fourth quarter of 2021, members of executive team are the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Chief Operating Officer ("COO"). The remuneration of the Company's key management personnel during the years ended December 31, 2021 and 2020 was as follows:

	Years ended	
	December 31, 2021	December 31, 2020
	$'000	$'000
Wages[1]	**360**	579
Consulting fees	**-**	180
Stock-based compensation expense[2]	**3,261**	1,763
	3,621	2,522

Notes:
1. $180 to CFO and $180 to COO for the year ended December 31, 2021
2. Reflects the amount recorded as an expense in the annual consolidated statements of loss. The fair value of stock-based compensation is measured at the grant date using an option pricing model and is recognized as an expense over the vesting period. $1,726 to CEO, $954 to CFO, $326 to COO, and $255 to the Board of Directors for the year ended December 31, 2021.

During the year ended December 31, 2021, the Company granted 537,500 RSUs (300,000 to CEO, 150,000 to CFO, 37,500 to COO and 50,000 to Board of Directors), 475,000 PSUs (300,000 to CEO, 150,000 to CFO and 25,000 to COO) and nil options (year ended December 31, 2020 – 402,195 RSUs, nil PSUs and 700,000 options) to members of key management personnel.

Included in other current assets as at December 31, 2021 and December 31, 2020 is $2,550 ($901 from CEO, $857 from CFO, $758 from COO, and $34 from Board of Directors) and $1,049, respectively, of receivables from related parties. These receivables were primarily due to payroll tax on stock issuance with respect to the RSUs for the related parties.

22. Segment reporting

The Company has the following operating segments: (1) clinical operations and allied health, (2) electronic medical record ("EMR"), (3) billing and revenue cycle management solutions, (4) digital apps, (5) cybersecurity, (6) CRH, (7) MyHealth, and (8) corporate/shared services. They are grouped into the reporting segments in the tables below. Please refer to footnote (1) of the tables below for groupings.

For the years ended December 31, 2021 and 2020:

	<----Omni-channel Patient Services---->											
	Primary[1]		Specialized-CRH[1]		Specialized-MyHealth[1]		Virtual Services[1]		Corporate/shared services		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Total segment revenue	**51,723**	36,748	**132,497**	-	**42,456**	-	**77,649**	13,492	**15,237**	4,741	**319,562**	54,981
Inter-segment revenue	**-**	-	**-**	-	**-**	-	**(2,001)**	-	**(15,237)**	(4,741)	**(17,238)**	(4,741)
Revenue from external customers	**51,723**	36,748	**132,497**	-	**42,456**	-	**75,648**	13,492	**-**	-	**302,324**	50,240
General & Administrative[2]	**13,668**	7,089	**15,963**	-	**17,604**	-	**44,195**	6,087	**11,080**	9,200	**102,510**	22,376
Segment profit (loss) before tax, interest and depreciation and amortization [2]	**5,058**	4,388	**51,889**	-	**8,371**	-	**(3,015)**	3,650	**(40,624)**	(9,574)	**21,679**	(1,536)
Goodwill and intangible assets	**30,480**	18,234	**575,215**	-	**205,503**	-	**206,067**	115,993	**-**	-	**1,017,265**	134,227

Notes:

(1) **Omni-channel Patient Services – Primary** includes clinical operations and allied health.
Omni-channel Patient Services - Specialized comprises CRH and MyHealth under two segments.
Virtual Services includes EMR, billing and revenue cycle management solutions, digital apps, and cybersecurity.

(2) (a) General & administrative included $15,775 and $1,593 spent on marketing and promotion for the years ended December 31, 2021 and 2020, and $20,205 and $4,975 of non-cash stock-based compensation expense for the years ended December31, 2021 and 2020 respectively.
(b) Rent expense is not included in General & administrative nor in the above segment profit (loss) under IFRS 16.

See below information by geographic region for the year ended December 31, 2021 and 2020:

	Canada and others		US		Total	
	2021	2020	**2021**	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Total segment revenue	**156,364**	52,726	**163,198**	1,958	**319,562**	54,684
Inter-segment revenue	**(17,238)**	(4,444)	**-**	-	**(17,238)**	(4,444)
Revenue from external custome	**139,126**	48,282	**163,198**	1,958	**302,324**	50,240
General & Administrative[1]	**67,723**	21,848	**34,787**	528	**102,510**	22,376
Segment profit (loss) before tax, interest and depreciation and amortization[1]	**(28,787)**	(1,831)	**50,466**	295	**21,679**	(1,536)
Goodwill and intangible assets	**371,860**	112,195	**645,405**	22,032	**1,017,265**	134,227

Notes:

(1) (a) General & administrative included $15,775 and $1,593 spent on marketing and promotion for the years ended December 31, 2021 and 2020, and $20,205 and $4,975 of non-cash stock-based compensation expense for the years ended December31, 2021 and 2020 respectively.
(b) Rent expense is not included in General & administrative nor in the above segment profit (loss) under IFRS 16.

23. Business combinations and asset acquisitions

For the year ended December 31, 2021

During the year ended December 31, 2021, the Company acquired interests in the following companies:

Company name	Date of cquisition	Business/asset acquisition	% Owner-ship	Place of incorporation	Line of business
Adracare Inc. ("**Adracare**")	Jan 1, 2021	Business	100%	Canada	Virtual Services
Open Health Software Solutions Inc. ("**Open Health**")	Jan 1, 2021	Business	100%	Canada	Virtual Services
Intrahealth Systems Limited ("**Intrahealth**")	Apr 1, 2021	Business	100%	New Zealand	Virtual Services
CRH Medical Corporation ("**CRH**")	Apr 22, 2021	Business	100%	US	Patient Services - Specialized
ExecHealth Inc. ("**ExecHealth**")	May 1, 2021	Business	100%	Canada	Patient services - Primary
New England Anesthesia Associates, LLC ("**NEAA**")	May 1, 2021	Asset	85%	US	Patient Services - Specialized
Northern Indiana Anesthesia Associates, LLC ("**NIAA**")	May 27, 2021	Asset	51%	US	Patient Services - Specialized
FDHS Anesthesia Associates, LLC ("**FDHS-Bradenton**")	May 27, 2021	Asset	51%	US	Patient Services - Specialized
Doctors Services Group ("**DSG**")	Jun 1, 2021	Business	51%	Canada	Virtual Services
MyHealth Partners Inc. ("**MyHealth**")	Jul 15, 2021	Business	100%	Canada	Patient Services - Specialized
Greater Washington Anesthesia Associates, LLC ("**GWAA**")	Aug 2, 2021	Asset	51%	US	Patient Services - Specialized
Destin Anesthesia, LLC ("**Destin**")	Aug 30, 2021	Asset	70%	US	Patient Services - Specialized
Durham Nuclear Imaging Inc. ("**Durham**")	Aug 31, 2021	Asset	100%	Canada	Patient Services - Specialized
WISP, Inc. ("**WISP**")	Oct 1, 2021	Business	54%	US	Virtual Services
Pinellas County Anesthesia Associates LLC ("**PCAA**")	Oct 7, 2021	Asset	51%	US	Patient Services - Specialized
AwareMD, Inc. ("**AwareMD**")	Nov 1, 2021	Business	100%	Canada	Virtual Services
Uptown Health Management Inc. ("**Uptown Health**")	Nov 1, 2021	Business	100%	Canada	Patient Services
Uptown Physical Rehabilitation, Chiropractic and Massage	Nov 1, 2021	Business	100%	Canada	Patient Services

Therapy Centre Inc. ("**Uptown Physio**")					
Jasper Anesthesia Care Associates LLC ("**JACA**")	Nov 3, 2021	Asset	100%	US	Patient Services - Specialized
Utah Anesthesia LLC ("**UA**")	Nov 22, 2021	Asset	100%	US	Patient Services - Specialized
Cleator Clinics Surrey Inc. ("**Cleator Surrey**")	Dec 1, 2021	Business	51%	Canada	Patient Services
2355581 Ontario Inc. ("**CognisantMD**")	Dec 1, 2021	Business	100%	Canada	Virtual Services

The purchase prices of acquisitions were satisfied through, where applicable:

(i) cash paid to the vendor, net of working capital adjustments;
(ii) fair value of common shares of the Company issued to the vendor, determined at the opening share price on the date of the issuance;
(iii) working capital/indemnification holdback; and
(iv) non-performance time-based earnout that is considered to be deferred acquisition cost.

The time-based earn-out payments considered to be acquisition costs have been classified as a financial liability carried at amortized cost. Accordingly, the liability was measured at fair value on initial recognition and is subsequently being measured at amortized cost using the effective interest method. In determining the fair value of deferred acquisition costs, the future payments due to be paid beyond one year from the acquisition date were discounted using a discount rate of 3.4% to 7%. In estimating the discount rate, the Company used the yield to maturity of high-risk debt.

The fair value of purchase consideration and fair values of the assets and liabilities acquired are presented in the table for business combinations below. The excess of the fair value of the purchase consideration over the fair values of assets and liabilities acquired is considered to be goodwill. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired businesses. The Company elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

As part of the determination of the provisional fair values recorded as part of the MyHealth acquisition, management made a preliminary provisional estimate of the fair values of intangible assets (mainly Licences for MyHealth) which was based on the most recent carrying values reported by MyHealth. The Company will finalize the accounting for the business combinations no later than one year from the date of acquisition or once it has all the necessary information to do so. Depending on the status of each acquisition, it is indicated as either finalized ("F") or provisional ("P") in the table below. The Company is in the process of gathering the required information to determine the fair values of assets and liabilities acquired, as well as identifying any intangible assets that existed at the date of acquisition for those acquisitions that are marked as provisional.

Certain acquisitions are summarized and presented in these groups: (a) acquisition date estimation of the fair values has been completed ("Finalized"), (b) acquisition date estimation of the fair values and identification of intangible assets is still in progress ("Provisional"). The CRH, MyHealth, and WISP acquisitions have been presented separately given their size.

Business combinations

During the year ended December 31, 2021, the Company has acquired and obtained control of the following companies:

	CRH (finalized)	Others (finalized)*	MyHealth (provisional)	WISP (provisional)	Others (provisional)**	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cash at closing, inclusive of working capital adjustment	357,912	20,418	79,277	35,102	14,730	**507,439**
Fair value of shares issued at closing	-	7,579	65,993	5,750	476	**79,798**
Working capital holdback	-	3,379	-	-	248	**3,627**
Present value of deferred acquisition cost (Note 15(a), 3(e)(ii))	-	169	54,639	8,824	12,388	**76,020**
Note payable (Note 16)	-	-	30,000	-	-	**30,000**
Fair value of purchase consideration	**357,912**	**31,545**	**229,909**	**49,676**	**27,842**	**696,884**
Cash	23,780	2,185	1,756	4,575	2,140	**34,436**
Accounts receivable and other current assets	92,487	1,949	16,882	551	1,138	**113,007**
Inventories	402	-	-	-	-	**402**
Lease receivable	-	348	-	-	835	**1,183**
Investments	2,645	-	-	-	-	**2,645**
Property and equipment (Note 13(a))	168	-	30,944	-	58	**31,170**
Other non-current assets	97	-	-	-	-	**97**
Right-of use asset (Note 13(a))	1,196	941	28,800	-	1,974	**32,911**
Accounts payable and other current liabilities	(39,526)	(1,670)	(17,816)	(3,774)	(1,478)	**(64,264)**
Lease liability (Note 18(a))	(1,257)	(1,289)	(29,443)	-	(2,809)	**(34,798)**
Unearned revenue (Note 14)	-	(1,094)	-	-	(1,083)	**(2,177)**
Bank loans and other borrowings	(167,462)	(45)	(424)	-	(367)	**(168,298)**
Deferred acquisition costs (Note 15(a))	(3,480)	-	-	-	-	**(3,480)**
Deferred tax liabilities	(2,796)	(1,913)	(3,687)	-	-	**(8,396)**
Non-controlling interests	(60,989)		(1,501)	(624)	474	**(62,640)**
Customer relationship (Note 13(b))	256,988	3,684	-	-	-	**260,672**
License (Note 13(b))	-	-	40,248	-	-	**40,248**
Technology (Note 13(b))	5,948	4,258	-	-	-	**10,206**
Goodwill (Note 13(b))	249,711	24,191	164,150	48,948	26,960	**513,960**
Fair values of assets and liabilities acquired	**357,912**	**31,545**	**229,909**	**49,676**	**27,842**	**696,884**

* Others (finalized) include Adracare, Open Health, Intrahealth, and ExecHealth.
**Others (provisional) include DSG, AwareMD, Uptown Health, Uptown Physio, Cleator Surrey, and CognisantMD.

Revenue and net income (loss) for acquired businesses are included in the Company's annual consolidated financial statements for the year ended December 31, 2021, from the date of acquisition of each business:

	CRH	**MyHealth**	**WISP**	**Others**
	$'000	**$'000**	**$'000**	**$'000**
Revenue	132,497	42,456	11,027	11,672
Net income (loss)	17,105	1,850	22	863

Had the acquisitions occurred on January 1, 2021 for each of these acquisition groups, the Company estimates that it would have reported the following consolidated revenue and net loss for the year ended December 31, 2021:

	CRH	MyHealth	WISP	Others
	$'000	**$'000**	**$'000**	**$'000**
Revenue	360,226	351,024	335,045	315,129
Net income (loss)	(23,420)	(28,773)	(30,830)	(29,286)

2020 Purchase Price Allocation finalization and restatement

During the year ended December 31, 2021, the Company finalized the purchase price allocation of the following entities acquired in 2020. As a result of the finalization, the consolidated statement of loss for 2020 has been restated to reflect the amortization expenses, and the consolidated statement of financial position as at December 31, 2020 has been restated to reflect the ending balances of intangible assets and goodwill.

	Insig			Circle			Others			TOTAL		
	Prov.	Adj.	Finalized	Prov.	Adj.	Finalized	Prov.	Adj.	Finalized	Prov.	Adj.	Finalized
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash at closing, inclusive of working capital adjustment	-	-	-	6,677	-	6,677	20,666	(224)	20,442	27,343	(224)	27,119
Fair value of shares issued at closing	21,668	-	21,668	19,006	-	19,006	6,131	-	6,131	46,805	-	46,805
Working capital holdback	1,240	-	1,240	-	-	-	5,539	1,699	7,238	6,779	1,699	8,478
Present value of deferred acquisition cost (Note 15(a))	-	-	-	-	-	-	964	-	964	964	-	964
Prior investment before acquisition	14,553	-	14,553	288	-	288		-	-	14,841	-	14,841
Fair value of purchase consideration	**37,461**	**-**	**37,461**	**25,971**	**-**	**25,971**	**33,300**	**1,475**	**34,775**	**96,732**	**1,475**	**98,207**
Cash	2,459	-	2,459	6,352	66	6,418	1,281	3	1,284	10,092	69	10,161
Accounts receivable and other current assets	89	-	89	676	(68)	608	4,528	(206)	4,322	5,293	(274)	5,019
Inventories	-	-	-	-	68	68	-	129	129	-	197	197
Property and equipment (Note 13(a))	-	-	-	-	-	-	268	(7)	261	268	(7)	261
Other non-current assets	-	-	-	-	-	-	-	7	7	-	7	7
Right-of use asset	-	-	-	3,622	-	3,622	4,107	-	4,107	7,729	-	7,729
Accounts payable and other current liabilities	(267)	5	(262)	(1,466)	331	(1,135)	(2,103)	(75)	(2,178)	(3,836)	261	(3,575)
Lease liability	-	-	-	(3,622)	-	(3,622)	(4,107)	-	(4,107)	(7,729)	-	(7,729)
Unearned revenue (Note 14)	-	(5)	(5)	-	-	-	-	(158)	(158)	-	(163)	(163)
Other non-current liabilities	-	-	-	(1,488)	-	(1,488)	-	-	-	(1,488)	-	(1,488)
Bank loans and other borrowings	-	-	-	-	-	-	-	(60)	(60)	-	(60)	(60)
Deferred tax liabilities	-	(1,027)	(1,027)	-	-	-	-	(1,325)	(1,325)	-	(2,352)	(2,352)
Non-controlling interests	-	-	-	(1,235)	(121)	(1,356)	(10)	(8)	(18)	(1,245)	(129)	(1,374)
Customer relationship (Note 13(b))	-	1,351	1,351	-	-	-	-	3,657	3,657	-	5,008	5,008
Brand (Note 13(b))	-	-	-	-	-	-	-	531	531	-	531	531
Technology (Note 13(b))	-	4,977	4,977	-	8,235	8,235	-	825	825	-	14,037	14,037
Goodwill (Note 13(b))	35,180	(5,301)	29,879	23,132	(8,511)	14,621	29,336	(1,838)	27,498	87,648	(15,650)	71,998
Fair values of assets and liabilities acquired	**37,461**	**-**	**37,461**	**25,971**	**-**	**25,971**	**33,300**	**1,475**	**34,775**	**96,732**	**1,475**	**98,207**

Asset acquisitions

The Company has made the following asset acquisitions through CRH and MyHealth:

	NEAA $'000	NIAA $'000	FDHS-Bradenton $'000	GWAA $'000	Destin $'000	Durham $'000	PCAA $'000	Jasper $'000	UA $'000	Total $'000
Cash	5,589	2,828	1,747	7,435	3,024	1,200	11,693	1,212	14,202	48,930
Deferred acquisition cost (Note 13(a))	-	-	-	897	-	-	-	-	3,259	4,156
Acquisition-related transaction cost	148	44	35	94	100	-	178	71	128	798
Purchase consideration	**5,737**	**2,872**	**1,782**	**8,426**	**3,124**	**1,200**	**11,871**	**1,283**	**17,589**	**53,884**
Assets and liabilities acquired										
Exclusive professional services agreement ("PSA")	6,750	5,631	3,495	16,521	4,463	-	23,278	1,283	17,652	79,073
Licences	-	-	-	-	-	1,105	-	-	-	1,105
Property and equipment	-	-	-	-	-	95	-	-	-	95
Other assets	-	-	-	-	-	-	-	-	6	6
Accrued liabilities	-	-	-	-	-	-	-	-	(69)	(69)
Non-controlling interest	(1,013)	(2,759)	(1,713)	(8,095)	(1,339)	-	(11,407)	-	-	(26,326)
	5,737	**2,872**	**1,782**	**8,426**	**3,124**	**1,200**	**11,871**	**1,283**	**17,589**	**53,884**
PSA amortization term	8 years	5 years	7 years	7 years	7 years	NA	10 years	5 years	8 years	
Ownership	85%	51%	51%	51%	70%	100%	51%	100%	100%	

For the year ended December 31, 2020

During 2020, the Company acquired interests in the following companies:

Company name ***Status of assignment of fair value to assets and liabilities acquired*** ***(F) Finalized*** ***(P) Provisional***	**Date of acquisition**	**% Equity ownership**	**Place of incorporation**	**Line of business**
Trinity Healthcare Technologies ("**THT**") (F)	Feb 1, 2020	100	Canada	Virtual Services
MedBASE Software Inc. ("**MedBASE**") (F)	May 1, 2020	100	Canada	Virtual Services
Indivica Inc. ("**Indivica**") (F)	Jun 1, 2020	100	Canada	Virtual Services
Assets of Services Division of Cycura Inc. ("**Cycura**") (P)	Aug 1, 2020	NA	Canada	Virtual Services
DoctorCare Inc. ("**DoctorCare**") (P)	Nov 1, 2020	100	Canada	Virtual Services
Armin Ghayyur Physiotherapist Corporation ("**EasyAllied**") (P)	Nov 1, 2020	51	Canada	Patient services - Primary
Insig Corporation ("**INSIG**") (P)	Nov 12, 2020	100	Canada	Virtual Services
Circle Medical Technologies, Inc. ("**Circle**") (P)	Nov 13, 2020	70	US	Virtual Services
Source44 Consulting Incorporated ("**S44**") (P)	Dec 1, 2020	100	Canada	Virtual Services
ExcelleMD Inc. and VirtuelMED Inc. ("**ExcelleMD**") (P)	Dec 8, 2020	100	Canada	Patient services - Primary

The purchase prices of acquisitions were mainly comprised of (i) cash paid to the vendor net of working capital adjustments, (ii) fair value of common shares of the Company issued to the vendor determined at the opening share price on the date of the transaction, (iii) working capital/indemnification holdback, and (iv) non-performance, time-based earnout payable over time considered to be deferred acquisition costs.

In determining the fair value of deferred acquisition costs, the future payments due to be paid beyond one year from the acquisition date were discounted using a discount rate of 7%. In estimating the discount rate, the Company used the yield to maturity of high-risk debt.

The time-based earn-out payments considered to be acquisition costs have been classified as a financial liability carried at amortized cost. Accordingly, the liability was measured at fair value on initial recognition and is subsequently being measured at amortized cost using the effective interest method. The fair value of purchase consideration and fair values of the net assets acquired-- for each acquisition are as follows. Goodwill is attributable to the workforce, expected synergies and profitability of the acquired businesses. The Company elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

The Company is in the process of determining the fair values of assets and liabilities acquired, as well as identifying any intangible assets that existed at the date of acquisition. The Company has three to six months after the close date to finalize any working capital adjustments with the vendor. As of December 31, 2020, the working capital adjustment process is still in progress for some vendors. The Company will finalize the accounting for the businesses, no later than one year from the date of acquisition or once it has all the necessary information to do so. Depending on the status of each acquisition, it is indicated as either finalized ("F") or provisional ("P").

Certain acquisitions are summarized and presented in these groups: (a) acquisition date estimation of the fair values has been completed ("Finalized"), (b) acquisition date estimate of the fair values and identification of intangible assets still in progress ("Provisional"). The Insig and Circle acquisitions have been presented separately given their size.

	Finalized $'000	**Provisional $'000**	**INSIG (provisional) $'000**	**Circle (provisional) $'000**	**Total $'000**
Cash at closing, inclusive of working capital adjustment	7,938	20,666	-	6,677	**35,281**
Fair value of shares issued at closing	3,598	6,131	21,668	19,006	**50,403**
Working capital Holdback	1,639	5,539	1,239	-	**8,417**
Present value of Deferred acquisition cost (Note 15(a))	1,148	964	-	-	**2,112**
Fair value of previously held interest	-	-	14,554	288	**14,842**
Fair value of purchase consideration	**14,323**	**33,300**	**37,461**	**25,971**	**111,055**
Fair values of assets and liabilities acquired:					
Cash	712	1,281	2,459	6,352	**10,804**
Accounts receivable and other current assets	560	4,528	89	676	**5,853**
Property and equipment (Note 13(a)) and other non-current assets	5	268	-	-	**273**
Right-of-use asset (Note 13(a))	483	4,106	-	3,622	**8,211**
Lease liability (Note 18(a))	(483)	(4,106)	-	(3,622)	**(8,211)**
Accounts payable, unearned revenue (Note 14) and other current liabilities	(1,585)	(2,103)	(267)	(1,466)	**(5,421)**
Other non-current liabilities	-	-	-	(1,488)	**(1,488)**
Deferred tax liabilities	(3,062)	-	-	-	**(3,062)**
Non-controlling interests	-	(10)	-	(1,235)	**(1,245)**
Customer relationship (Note 13(b))	12,052	-	-	-	**12,052**
Goodwill (Note 13(b))	5,641	29,336	35,180	23,132	**93,289**
	14,323	**33,300**	**37,461**	**25,971**	**111,055**

The following revenue and net income (loss) attributable to each acquisition group are included in the Company's annual consolidated financial statements for the year ended December 31, 2020:

	Finalized $'000	**Provisional $'000**	**INSIG (provisional) $'000**	**Circle (provisional) $'000**
Revenue	3,051	2,407	627	1,958
Net income (loss)	993	378	(28)	295

Had the acquisition occurred on January 1, 2020 for each of these acquisition groups, the Company estimates that it would have reported the following consolidated revenue and net loss for the year ended December 31, 2020:

	Finalized $'000	**Provisional $'000**	**INSIG (provisional) $'000**	**Circle (provisional) $'000**	**Consolidated $'000**
Revenue	51,461	66,526	54,317	62,965	**84,548**
Net income (loss)	(2,856)	(1,269)	(3,393)	(1,295)	**819**

24. Cash Flow Information

	Years ended	
		Restated (Note 23)
	December 31, 2021 $'000	December 31, 2020 $'000
Change in non-cash operating items:		
Accounts and other receivables	**(15,207)**	(2,280)
Inventory	**876**	(1,075)
Other current assets	**(518)**	24
Other non-current assets	**(300)**	(17)
Accounts payable and accrued liabilities	**1,598**	1,061
Unearned revenue	**(324)**	970
Income tax payable	**1,727**	68
Deferred tax assets	**(4,320)**	-
Deferred tax liabilities	**4,245**	-
Other non-current liabilities	**-**	22
Other current liabilities	**1,027**	(980)
	(11,196)	(2,207)

	Years ended	
	December 31, 2021 $'000	December 31, 2020 $'000
Cash (paid for) received from:		
Interest	**(4,718)**	(679)
Income taxes	**271**	(395)
	(4,447)	(1,074)

	Years ended	
	December 31, 2021 $'000	December 31, 2020 $'000
Equity and debt investments in associates and others:		
Convertible promissory notes of Insig	**-**	(2,000)
Exercise of Insig share warrants	**-**	(2,392)
Equity investment in Pillway	**-**	(5,000)
Convertible promissory notes of Phelix.ai	**-**	(280)
Transaction costs of investment under equity method	**-**	(133)
Investment in Phelix	**(523)**	-
Investment in Twig	**(250)**	-
Investment in Bright	**(250)**	-
Investment in Tap Medical	**(250)**	-
Investment in Tali.ai	**(1,000)**	-
Investment in Cherry Health	**(250)**	-
Investment in Focus Mental	**(600)**	-
	(3,123)	(9,805)

	Years ended	
	December 31, 2021 $'000	December 31, 2020 $'000
Business acquisitions, net of cash acquired (Note 23):		
Trinity Healthcare Technologies	**-**	(3,918)
MedBASE	**-**	(236)
Indivica	**-**	(4,338)
Cycura	**-**	(2,333)
DoctorCare	**-**	(6,672)
EasyAllied	**-**	(711)
Insig	**-**	2,459
Circle	**-**	(325)
Source44	**(1,175)**	(5,260)
ExcelleMD	**-**	(4,408)
Adracare	**(3,560)**	-
Open Health	**(349)**	-
IntraHealth	**(10,652)**	-
CRH	**(274,310)**	-
ExecHealth	**(3,953)**	-
DSG	**(252)**	-
MyHealth	**(80,185)**	-
WISP	**(30,527)**	-
AwareMD	**(1,883)**	-
Uptown Health	**(672)**	-
Uptown Physio	**(121)**	-
Cleator Surrey	**2**	-
CognisantMD	**(9,551)**	-
Oreagan North York	**5**	-
	(417,183)	(25,742)
Asset acquisitions (Note 23):		
NEAA	**(5,738)**	-
NIAA	**(2,872)**	-
FDHS-Bradenton	**(1,782)**	-
GWAA	**(7,529)**	-
Destin	**(3,124)**	-
Jasper	**(1,283)**	-
PCAA	**(11,872)**	-
UA	**(14,393)**	-
Durham	**(1,200)**	-
	(49,793)	-

25. Financial Instruments

a. Classification of financial instruments

The following table summarizes the Company's financial instruments and their carrying amounts:

	December 31, 2021	Restated (Note 23) December 31, 2020
Financial assets at amortized cost	**$'000**	$'000
Cash and cash equivalents	**61,919**	86,890
Restricted cash	**-**	4,169
Accounts and other receivables	**66,592**	8,654
Lease receivable	**2,730**	1,803
Other current and non-current assets	**13,728**	2,360
	144,969	103,876
Financial assets at fair value through profit or loss ("FVPL")		
Equity and debt investments	**5,392**	304
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**38,669**	7,418
Notes payable and other borrowings	**299,039**	1,701
Deferred acquisition costs	**85,603**	2,159
Lease liability	**61,188**	21,867
Other current and non-current liabilities	**12,751**	8,864
	497,250	42,009

b. Fair value measurements

The fair value hierarchy establishes three levels to reflect the significance of the inputs used in making the measurements:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any fair value measurements categorized within level 1 or 2 of the fair value hierarchy.
The carrying value of the Company's financial instruments approximate their fair value, except where stated below.

The Company's notes payable and other borrowings balance, which is mainly comprised of the JPM facility, the RBC facility, and the promissory note with MyHealth's previous shareholders (Note 16), are floating rate instruments which are based on LIBOR/CDOR plus 1.25% to 3.25% dependent on CRH's total leverage ratio and MyHealth's total funded debt to EBITDA ratio. The Company has estimated the fair value of these financial instruments to be US$161,960 ($206,791) for the JPM facility, $72,175 for RBC facility, and $20,000 for the promissory note with MyHealth's previous shareholders as at December 31, 2021 based on Level 3 unobservable inputs.

The investments in Phelix, Twig, Bright, Tap Medical, Tali.ai, Cherry Health and an anesthesia revenue cycle management organization are classified as financial assets at FVPL. The fair value measurements of the investments are categorized within Level 3 of the fair value hierarchy. As at December 31, 2021 and December 31, 2020, in the absence of observable market data and any facts to suggest otherwise, management concluded that the fair value of the investments approximated the cost.

c. Risk management

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 obligation. Credit risk arises from the Company's financial assets. The carrying value of the financial assets represents the maximum exposure to credit risk. The Company limits its exposure to credit risk on cash and cash equivalents by placing these financial instruments with high-credit quality financial institutions and only investing in liquid, investment grade securities.

No one customer accounts for more than 10% of the Company's consolidated revenue. The Company establishes an estimate for expected credit losses on accounts receivable if it is determined that all or part of the outstanding balance is uncollectable. Collectability is reviewed regularly and an estimate is established or adjusted, as necessary, using a combination of the specific identification method, historic collection patterns and existing economic conditions. Estimates are subject to change as they are impacted by the nature of collectability, which may involve delays and the current uncertainty in the economy.

The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of performance. The Company's revenue from clinic operations is from billings for insured services paid for by the provincial health authorities. The Company recognizes anesthesia service revenues, net of contractual adjustments and implicit price concessions, which are estimated based on the historical trend of cash collections and contractual adjustments. As a result, anesthesia related receivables reflect the amount the Company expects to receive from patients and third-party insurers at the reporting period end and thus credit risk is considered to be limited.

As at December 31, 2021, the Company had $66,592 (December 31, 2020 - $8,654) of accounts and other receivables (Note 8).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due and remain solvent. 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. To date, the Company has generated operating losses and net cash outflows from operations, and has relied on equity, convertible debentures, and bank borrowings to fund its operations and acquisitions and will need to continue to secure additional funding for operations. 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 financing will be on terms advantageous to the Company.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at December 31, 2021, the Company's major interest bearing liability is its JPM facility, RBC facility, and promissory note issued to MyHealth's previous shareholders (Note 16). With all other variables held constant, a 10% increase in the interest rate would have reduced net income by approximately $489 (2020 – nil) for the year ended December 31, 2021. There would be an equal and opposite impact on net income with a 10% decrease in the interest rate.

Foreign currency risk

The Company's parent company presentation and functional currency is the Canadian dollar. With the acquisition of Circle Medical Technologies, Inc. in November 2020, CRH in April 2021 and the acquisition of WISP, Inc. ("WISP") in October 2021 (functional currency is the US dollar), a majority part of the business operations is in the U.S. and these subsidiaries are exposed to foreign currency translation risk. A 10% movement in foreign exchange rates versus the United States dollar would result in approximately $1.6 million change in the Company's net income.

26. Events After the Reporting Period

Acquisition of Greater Connecticut Anesthesia Associates, LLC. ("GCAA")

On March 7, 2022, the Company entered into an asset contribution and exchange agreement to acquire a 100% interest in GCAA, a gastroenterology anesthesia services provider in Connecticut, USA. The purchase consideration, to be paid via cash and holdback liability, for the acquisition of the Company's 100% interest was US$12,500.