CLOUD DX

Cloud DX, Inc.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2021 and 2020

BACKGROUND

This Interim MD&A for Cloud DX, Inc. should be read in conjunction with the Company's condensed interim consolidated financial statements as at and for the three months ended March 31, 2021 and 2020 and the Company's annual consolidated financial statements as at and for the year ended December 31, 2020. Except as otherwise indicated or where the context so requires, references to the "Company" or "Cloud DX" include Cloud DX, Inc. and its subsidiary Cloud Diagnostics Canada ULC. The Company prepares its interim unaudited consolidated financial statements and annual consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with international interpretations of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") – see note 3 of the March 31, 2021 condensed interim consolidated financial statements and the December 31, 2020 annual consolidated financial statements for further information. All dollar figures stated herein are expressed in US dollars ($ or USD), unless otherwise specified.

The date of this Interim MD&A is May 14, 2021, the date on which it was approved by the Board of Directors.

This Interim MD&A contains forward-looking statements. See Forward-Looking Statements below for further information.

COMPANY OVERVIEW

Cloud DX is a Health Canada licensed, FDA registered medical device manufacturer and software developer that offers a complete "end-to-end" virtual healthcare platform called Cloud DX Connected Health. The Company has developed and cleared through regulatory agencies a family of proprietary medical devices, each of which collects multiple vital signs. Cloud DX customers purchase Connected Health in order to remotely monitor patients with serious chronic illness including chronic obstructive pulmonary disease ("COPD") and congestive heart failure ("CHF"), as well as patients recovering from surgery and, more recently, Covid-19 patients decanted from hospitals. Typical Cloud DX customers include large hospitals and provincial health authorities in Canada, and physician practices and hospitals in the United States.

Cloud DX is focused on offering the best possible virtual care experience. By manufacturing proprietary vital sign devices, the Company can constantly improve the patient user experience (UX), making virtual care more engaging for those who need it most. By collecting unique and accurate remote data, clinicians have more information to use in therapeutic decision making, while streamlining workflow with automated monitoring. Using advanced data science techniques, patterns are identified in patient generated data that indicate the probability of poorer health outcomes, enabling rapid intervention and saving lives. By managing the full patient-to-provider experience, costs can be reduced with improved ROI for healthcare payers including Canadian provinces, territories and US insurance providers,

Principal Products and Services

Cloud DX Connected Health Kits include the proprietary Pulsewave® wrist cuff blood pressure monitor, the Cloud DX Bluetooth pulse oximeter, the Cloud DX wireless weight scale and optionally, a digital thermometer and digital wireless glucose meter from 3rd party suppliers. These devices, combined with customized tablet computers and mobile Connected Health apps, form the 'patient-facing' part of Connected Health. A secure online Clinician Portal allows medical professionals to remotely monitor the health of thousands of patients. Clinical support software detects when certain triggers are reached (for example, a drop in oxygen saturation) and generates a notification to providers. Nurses can then contact the patient by secure in-app text messaging and initiate a telemedicine video conference to confirm a remote diagnosis and intervene to improve outcomes. Cloud DX records raw bio-signals, vital sign metrics, survey answers, provider notes, images and documents in a cloud-based database in HIPAA-compliant Microsoft Azure datacenters in Canada and the USA. These discrete data points become sources of large sets of unique raw data that can be analyzed using machine learning algorithms to detect patterns that may predict future health outcomes, both on a personal level and in larger populations.

Connected Health has been shown to improve patient outcomes for patients with COPD and patients recovering from surgery. Patients report feeling impowered by knowing their vital sign status, and by having the ability to connect with providers to ask questions. Cloud DX devices and software can detect changes in vital signs and symptoms early, allowing clinicians to intervene quickly and prevent more serious deteriorations that might require hospitalization, or in some cases might be fatal. The main return on investment from a Connected Health deployment includes both a more engaged patient, as well as reduced ER visits and admissions, or readmissions. For example, in Canada an average hospital admission for a COPD exacerbation costs ~$7,500, while an admission to the intensive care unit ("ICU") averages ~$30,000 *(Canadian Institute for Health Information "Patient Cost Estimator", www.cihi.ca).* In the United States, savings from Connected Health deployments include similar amounts for hospitalizations. For hospitals and providers that accept Medicare, patient satisfaction forms a component of the reimbursement for care, and low satisfaction score can result in penalties and fines. Connected Health has been seen to improve patient satisfaction with remote monitoring in published studies *("Evaluating the Use of Mobile Health Technology in Older Adults with Heart Failure", MNIR-Aging, April 2018).*

Market

According to government statistics, in Canada 5+ million people over 35 suffer from COPD, CHF or their precursors.[1,2] Meanwhile, 50+ million Americans over the age of 65 qualify for reimbursed remote patient monitoring (RPM) and chronic care management (CCM) paid for by US Medicare "CPT Codes".[3] Cloud DX Connected Health solutions are reimbursed to the provider in the US by Medicare billing codes CPT 99453 and CPT 99454. These billing codes pay Medicare physicians approx. US$150.00 per patient per month.

The Company's registered head office is 834-20 Jay Street, Brooklyn, New York, 11201 with its Canadian headquarters at 100-72 Victoria Street South, Kitchener, Ontario, N2G 4Y9.

[1] https://health-infobase.canada.ca/datalab/copd-blog.html
[2] https://www.canada.ca/en/public-health/services/publications/diseases-conditions-heartdisease-canada-fact-sheet.html

SIGNIFICANT HISTORICAL EVENTS

Cloud DX, Inc. was incorporated in the State of Delaware on September 11th, 2014; Cloud Diagnostics Canada ULC was incorporated under the laws of British Columbia on September 14th, 2014 by Robert Kaul, Anthony Kaul and Dr. Sonny Kohli. On September 15th, 2014 the founders of Cloud DX acquired the medical device division of Biosign Technologies Inc. ("Biosign"). The assets acquired included all intellectual property related to the Pulsewave PAD-1A wrist cuff blood pressure device, its internet platform, windows software application and hardware. All existing inventory of Pulsewave® devices (around 12,000 units) was also acquired as was business infrastructure such as office leases, servers, desktop computers etc. Over several years prior to the asset sales Biosign had developed a new-concept medical device which non-invasively collected pulse pressure wave form signals from a peripheral artery and analyzed those signals to derive vital signs including heart rate, blood pressure and pulse rate variability. By 2014, this device had been branded the Pulsewave® wrist cuff blood pressure device and was being manufactured by Biosign. Pulsewave® was unique among medical devices because it used cloud-based algorithms for digital signal processing, making it programmable and remotely updatable. As a wrist cuff it was very easy for patients to use, compared to the typical arm cuff BP device.

The Company has, to date, pursued its capitalization in the form of unbrokered share and convertible debt subscriptions. As of the date of this report and at March 31, 2021, the Company has 1,962,509 shares issued and outstanding for net book value of $14,654,165 and convertible debentures for proceeds received of $3,474,375. Any convertible debt subscriptions outstanding as at the beginning of 2020 were either converted to capital in May 2020 or rolled into the spring 2020 convertible debt offering which bore interest at prime + 10% and had a maturity date of eighteen months from the date of each individual agreement. The convertible debt was automatically convertible to common shares in a qualifying transaction at a 20% discount of the price per share. A qualifying transaction is defined as a transaction pursuant to which the Company (a) merges, amalgamates, or consolidates with or into any other company or business entity in which the Company is not the surviving entity and the Company's shareholders hold less than 50% of the surviving entity, (b) sells all or substantially all of its issued and outstanding shares of Common Stock or (c) completes and initial public offering of shares of Common Stock or other going public transaction. If the convertible debenture is outstanding upon maturity the holder had a right to either convert all of the principal and accrued but unpaid interest into Common Stock at a price of $10 per share or have all principal and accrued but unpaid interest converted to Common Stock paid in full. On April 12, 2021, a qualifying transaction closed and all convertible notes were automatically converted to common shares at a 20% discount of the price per share.

COVID - 19

The Company has taken a number of measures to monitor and mitigate the effects of COVID-19 such as safety and health measures and securing the supply of materials that are essential to operations. Thus far, the impact on the business has been positive given the nature of the products and services that it provides. As the Company operates in the healthcare sector, there has been an increased demand for products and services as well as government interest in development of products. The Company will continue to follow the various government policies and advice and monitor the implications of COVID -19 on the Company.

NON-IFRS Financial measures

The Company's unaudited interim condensed consolidated financial statements are prepared in accordance with IFRS. The financial measures that are used and defined below do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. These financial measures should not be considered as an alternative to, or more meaningful than, net income (loss), cash flow from operating activities and other measures of financial performance as determined in accordance with IFRS; however, the Company believes that these measures are useful in providing relative operational profitability of the Company's business.

EBITDA

EBITDA refers to earnings before finance costs, depreciation & amortization and income taxes. EBITDA is a non-IFRS measure that reflects the operational profitability of the business.

Adjusted EBITDA

Adjusted EBITDA refers to earnings before finance costs, depreciation & amortization and income taxes adjusted for fair value related income/expenses including share-based compensation. Adjusted EBITDA is a non-IFRS measure that representationally reflects the operational profitability of the business as fair value calculations of convertible debt, marketable securities and share based compensation are reflective of current market influences on past decisions.

Gross Profit and Gross Profit Margin

Gross Profit is Revenue less Cost of Sales and Gross Profit Margin is Gross Profit as a percentage of revenue. These are non-IFRS measures that provide meaningful metrics in assessing the Company's financial performance and operational efficiency.

Selected Financial Information

`	Three Months Ended March 31,			
	2021	2020	Change	
	$	$	$	%
Revenue	302,844	118,772	184,072	155.0
Cost of sales	155,212	46,679	108,533	232.5
Gross profit	147,632	72,093	75,539	104.8
Gross profit margin	48.7%	60.7%		
Operating expenses net of depreciation, amortization and share based compensation	1,765,706	679,300	1,086,406	159.9
Other income and (expenses)	484,265	(34,245)	518,510	NMF
Adjusted EBITDA	(1,133,809)	(641,452)	(492,357)	76.8
Share based compensation	(48,325)	(99,419)	51,094	(51.4)
Fair value gain/(loss)	269,861	92,827	177,034	190.7
Gain/(loss) on marketable securities	171,204	(107,029)	278,233	NMF
EBITDA	(741,069)	(755,073)	14,004	(1.9)
Depreciation & amortization	(67,952)	(66,463)	(1,489)	2.2
Interest	(259,420)	(62,988)	(196,342)	311.9
Income taxes	-	-	-	NMF
Net loss	(1,068,441)	(884,524)	(183,917)	(20.8)
Foreign currency translation gain/(loss)	(6,780)	138,498	(145,278)	NMF
Comprehensive loss	(1,075,221)	(746,026)	(329,195)	44.1
Basic and diluted loss per share	(0.54)	(0.55)	.01	1.8

Revenue and Gross Profit

Revenue increased $184,072 or 155.0% in the three months ended March 31, 2021 as a result of the stage of growth of the company and the commencement of the Company's efforts to scale sales together with increased Covid related demand. Gross profit is highly dependent upon sale mix with product related sales attracting less margin than subscription revenue or professional services. In the three months ended March 31, 2021, 46% of sales was related to product (2020 – 36%) and is the primary factor for the 12% decrease in gross profit margin.

Operating Expenses

The table below sets forth the details of operating expenses for the three ended March 31, 2021 and 2020:

	Three Months Ended March 31,			
	2021	2020	Change	
	$	$	$	%
Salaries & wages	1,137,814	497,543	640,271	128.7
Professional fees	349,815	22,078	327,737	1,484.5
Sales, general & administrative	116,215	65,792	50,423	76.6
Office	91,518	70,133	21,385	30.5
Research & development	70,344	23,754	46,590	196.1
Amortization & depreciation	67,952	66,463	1,489	2.2
Share-based compensation	48,325	99,419	(51,094)	(51.4)
	1,881,983	845,182	1,036,801	122.7

Operating expenses are considered by nature with the largest categories being salaries & wages, professional fees, sales, general & administrative, office, research & development, amortization & depreciation and share based compensation.

Operating expenses increased $1,036,801 or 122.7% in the three months ended March 31, 2021for two predominant reasons. Firstly, the Company was focused on implementing infrastructure to support scaling of this business. This included hiring of 26 employees that increased salaries and wages by $640,271 or 128.7%, increased sales, general & administrative expenses by $50,423 or 76.6% as well as increasing its office space to accommodate room for in house assembly of product which was the largest contributing factor to the $21,385 or 30.5% increase in office expenses. Secondly, the Company's professional expenses increased by $327,737 or 1,484.5% as a result of the legal and accounting work to conclude the qualifying transaction and take the Company public. Additionally, research and development increased $46,590 or 196.1% as a result of the increased number of projects being developed. This was offset by a decrease in share based compensation of $51,094 or 51.4% as a result of amortization periods of previously granted options being reached.

Other Income and Expenses

The table below sets forth the details of other income and expenses for the three ended March 31, 2021 and 2020:

	Three Months Ended March 31,			
	2021	2020	Change	
	$	$	$	%
Foreign exchange gain/(loss)	(2,818)	(34,245)	31,427	(91.8)
Interest expense	(259,420)	(62,988)	(196,432)	311.9
Fair value gain/(loss)	269,861	92,827	177,034	190.7
Government funding and grant income	487,083	-	487,083	NMF
Gain/(loss) on marketable securities	171,204	(107,029)	278,233	NMF
	665,910	(111,435)	777,345	NMF

Other income/(expense) changed $777,345 from a $111,435 expense to income of $655,910. Interest expense increased $196,432 for the three months ended March 31, 2021 as a result of increased interest related to the issuance of convertible debt and the acquisition of the new lease. This was offset by a decrease of $31,427 in the foreign exchange loss as a result of changes in exchange rate, an increase of $177,034 in the fair value gain associated with market movement inputs of the calculation of the fair value feature of the convertible debt, increased government funding and grants of $487,083 and a $278,233 favourable change in the market value of securities received as settlement of a customer contract.

Balance Sheet

	As at			
	March 31, 2021	December 31, 2020	Change	
	$	$	$	%
Total assets	2,843,949	3,002,192	(158,243)	(5.3)
Total liabilities	7,240,464	6,371,811	868,653	13.6
Deficit	(4,396,515)	(3,369,619)	(1,026,896)	30.5
Total liabilities and deficit	2,843,949	3,002,192	(158,243)	(5.3)

Total Assets

Total assets as at March 31, 2021 decreased by 5.3% from total assets as at December 31, 2020 predominantly due to a $300,466 decrease in cash to meet payments for scaling the business, a $292,254 decrease in marketable securities as the Company was able to liquidate the holdings and a decrease of $29,182 and $24,215 in intangibles and right of use assets respectively for depreciation and amortization. This was partially offset by an increase of $105,956 in accounts receivable due to increase business and timing of payments, an increase of $142,647 in inventories as a result of ensuring sufficient stock given extending supply chain lead times under Covid, an increase in prepaid expenses of $208,793 predominantly associated with qualifying transaction expenses and a $25,364 increase in property, plant and equipment as result of purchases offset by regular depreciation.

Total Liabilities

Total liabilities as at March 31, 2020 increased by 13.6% from total liabilities as at December 31, 2020 due a $530,229 increase in trade and other payables largely associated with the increase in inventory and prepaids as well as expenses associated with the qualifying transaction, an increase of $392,622 of convertible debt due to additional subscriptions and interest accretion, a $354,133 increase in loans payable as a result of receiving a $300,000 CAD interest free Business Scale up and Productivity Contribution Agreement with the Federal Economic Development Agency for Southern Ontario as well as a $250,000 CAD secured loan from its eventual parent in the qualifying transaction and a $33,750 increase in advances from related parties due to timing of payment of their related expenses. These increases were partially offset by a decrease of $213,035 in deferred revenue through the execution of related performance obligations, a decrease of $209,964 of the fair value of the conversion feature of the convertible debt due to movement in the inputs of the calculation and a decrease of $22,657 due to amortization of the lease liabilities.

Summary of Quarterly Results

The table below sets forth selected financial data for the most recent eight quarters ended March 31, 2021:

(In thousands, except loss per share)

Quarter-ended	Revenue	Net Loss	Loss per Share
	$	$	$
March 31, 2021	302,844	1,068,441	0.54
December 31, 2020	325,900	934,666	0.48
September 30, 2020	151,961	1,642,154	0.84
June 30, 2020	271,675	813,120	0.43
March 31, 2020	118,772	884,524	0.55
December 31, 2019	97,869	966,721	0.66
September 30, 2019	182,921	1,445,153	0.99
June 30, 2019	87,281	915,961	0.66

The Company's revenues fluctuate quarterly depending on new customers sold and onboarded. As the Company attains scale, this is expected to become more evenly distributed throughout the year with some level of seasonality around traditional holiday periods. The Company's net loss is reflective of its stage of growth as it scales up. Loss per share fluctuates both with the net loss and weighted average number of shares outstanding which has been increasing over the past eight quarters with its capital raises.

Liquidity and capital resources

The table below sets forth the cash flows for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,			
	2021	2020	Change	
	$	$	$	%
Cash from (used) in				
Operating activities	(1,247,581)	(610,489)	(637,092)	104.4
Investing activities	394,079	32,284	361,795	1,120.7
Financing activities	551,259	629,898	(78,639)	(12.5)
Increase (decrease) in cash	(302,243)	51,693	(353,936)	NMF

The Company may be adversely impacted by uncertain market conditions and adverse results from operations. The Company may face challenges due to such factors as the loss of a major customer contract, entry of new competitors or significant changes in healthcare regulations. Should expected revenue growth not materialize, the Company may be required to seek additional financing through the sale of equity securities and/or through debt.

Cash

The cash used in operating activities during the three months ended March 31, 2021 increased by 104.4% as compared to the prior comparative period. The increase is primarily attributed to additional expenditures as the Company prepares itself for growth as well as its preparation for the qualifying transaction and aligns with the non-IFRS measure of Adjusted EBITDA.

Cash received from investing activities increased by $361,795 due to the increase of $431,173 resulting from the disposition of marketable securities that were used by a customer to satisfy its contractual obligations offset by $12,205 in purchases of equipment plus $51,173 of leasehold improvements that will be reimbursed under provisions of the lease agreement. The Company had minimal equipment purchases in 2020.

The cashflow from financing activities during the three months ended March 31, 2021 relates to the proceeds from the issuance of convertible debt of $371,442, the $300,000 CAD interest free Business Scale up and Productivity Contribution Agreement with the Federal Economic Development Agency for Southern Ontario as well as a $250,000 CAD secured loan from its eventual parent in the qualifying transaction offset by lease payments of $38,341. The cashflow from financing activities during the three months ended March 31, 2020 relates to net proceeds after financing costs from the issuance of shares of $654,500 offset by $24,602 payments for lease obligations.

Financing

During the years ended December 31, 2020 and 2019, the Company issued a series of unsecured convertible debentures (the **"Debentures**") for aggregate proceeds of $2,626,866 (in addition to amounts rolled in from prior notes) and $1,647,841 respectively with various terms and conditions as outlined in the Consolidated Financial statements for the years then ended. In 2020, certain debenture holders voluntarily converted a portion of their debentures to equity at $8/share and rolled the balance of their debenture balances into a new tranche of convertible debentures (the "New Debentures") that was also held open for other subscription. As of March 31, 2021, the only convertible debentures outstanding bear interest at prime +10% with a maturity date of eighteen months from the date of subscription. The New Debentures are automatically converted to common shares in a qualifying transaction at an 20% discount of the price per share. A qualifying transaction is defined as a transaction pursuant to which the Company (a) merges, amalgamates, or consolidates with or into any other company or business entity in which the Company is not the surviving entity and the Company's shareholders hold less than 50% of the surviving entity, (b) sells all or substantially all of its issued and outstanding shares of Common Stock or (c) completes an initial public offering of shares of Common Stock or other going public transaction. If the convertible debenture is outstanding upon maturity the holder has a right to either convert all of the principal and accrued but unpaid interest into Common Stock at a price of $10 per share or have all principal and accrued but unpaid interest converted to Common Stock paid in full. The transaction consummated on April 12, 2021 was a qualifying transaction at which point all the then outstanding convertible notes were automatically converted into common shares at a 20% discount of the price per share.

The proceeds from each of these financings has been used in the development of the Company as it secures its patents, develops its product and scales its operations for growth.

In connection with its letter of intent with Roosevelt Capital Group ("Roosevelt"), on January 19, 2021 the Company and Roosevelt announced a brokered private placement offering of up to 10,000,000 subscription receipts at a price of CAD$0.50 per subscription receipt with an agent's option to offer for sale up to 1,500,000 subscription receipts for the same terms and conditions for aggregate gross proceeds of up to CAD$5,750,000. The subscription receipts entitle the holder thereof to receive one share and one-half of one warrant exercisable at CAD$0.65 within 2 years of release from escrow. This offering was upsized to gross proceeds of up to CAD$6,095,000 on March 15, 2021. The proceeds from this financing are primarily to assist the Company in scaling its sales, particularly in the United States. For more information on this qualifying transaction, please see the filing statement on SEDAR.

Issued and Outstanding Share Capital

The Company's authorized capital consists of 10,000,000 Common Shares with a $.0001 par value per share. As of the date of the time of the qualifying transaction on April 12, 2021, the issued and outstanding shares consisted of 1,962,509 Common Shares.

The Company had established two stock option plans, one for the for the benefit of its employees and the other for the benefit of its directors, officers and consultants. The maximum number of options that could be granted under the Plan was not to exceed 300,000, representing approximately 15% of the aggregate of issued and outstanding Common Shares at the time of the qualifying transaction. As of the date of the qualifying transaction, the then outstanding 222,100 stock options were cancelled for no consideration. Further details those cancelled options can be found in the Consolidated Financial Statements for the years ended December 31, 2020 and 2019 and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020.

As of the date of this MD&A, the qualifying transaction has occurred and the Company has become an indirectly, wholly owned subsidiary of the publicly listed Cloud DX Inc.(formerly Roosevelt Capital Group Inc.) Relevant capital structure information including issued and outstanding shares as well as dilutive securities such as warrants and options can be found in the filing statement on SEDAR.

Significant Accounting Policies and Estimates

The Company's significant accounting policies and accounting estimates under IFRS are contained in the audited Consolidated Financial Statements at December 31, 2020. Certain of these policies involve critical accounting estimates as they require us to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. Actual results may differ from estimates under different assumptions and conditions. Significant judgments include impairment of long-lived assets, depreciation of intangible assets, fair value measurements and the valuation process. The most significant judgement is the assumption of going concern contemplating the realization of the assets and payments of liabilities in the ordinary course of business. For further information see the Consolidated Financial Statements for the years ended December 31, 2020 and 2019 and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020.

Related party transactions

The Company's related parties are comprised of the Board and current or former members of the executive team of the Company. During 2020, the Company had outstanding loans with a company controlled by a director. All loans had been either settled in cash or settled through a conversion to equity by March 27, 2020. Interest associated with these loans totaled $17,210 in 2020 representing interest accruing to the date of conversion. Further details on these obligations may be found in the Consolidated Financial Statements for the years ended December 31, 2020 and 2019 and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020.

During the three months ended March 31, 2021, the Company recorded expenses associated with consulting fees and wages to individuals and/or entities controlled by officers or directors of the Company of $266,797 (2020 - $123,037) as follows:

Three Months Ended March 31,

	2021	2020
	$	$
Contractor expenses for services	**146,793**	37,824
Wages	**101,976**	38,300
Share-based benefits	**18,028**	46,916
	266,797	123,040

Financial Risks

Credit risk

Credit risk arises from the possibility that a counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from cash and trade and other receivables. As at March 31, 2021, the trade and other receivables were within normal repayment terms.

Foreign currency risk

The Company is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Company has revenue and purchases that are denominated in a currency other than the functional currency of the Company, being the US dollar. These transactions are primarily denominated in Canadian dollars. The Company does not currently enter into forward contracts to mitigate this risk. There have been no changes in the risk exposure from fiscal 2020.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through ongoing review of accounts receivable balances; following up on amounts past due; and management of cash.

The Company prepares its financial statements and other disclosures on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business.

SUBSEQUENT EVENTS

On April 5, 2021 the Company and Roosevelt Capital Group Inc. received conditional approval from the TSXV for the closing of the proposed qualifying transaction. A filing statement in respect of the transaction was prepared in accordance with the requirements of the TSXV.

On April 12, 2021, the Company and Roosevelt Capital Group Inc. completed its qualifying transaction. As a result of this transaction, the Company became a wholly owned subsidiary of 12632926 Canada Ltd which in turn became a wholly owned subsidiary of Roosevelt Capital Group Inc. Roosevelt changed its name to Cloud DX Inc. and continued business under the jurisdiction of the CBCA and adopted new articles and bylaws. The subscription receipts issued by 12632926 Canada Ltd in connection with a private placement offering undertaken in connection with this transaction were also exchanged and net proceeds of approximately $5.5M CAD were released.

On April 14, 2021, the final bulletin was issued by the Exchange and on April 15, 2021, the resultant company began trading on the TSXV under the symbol “CDX”.

OTHER MATTERS

The Company has no off balance sheet arrangements.

OUTLOOK

The Company’s goals for F2021 are to achieve organic revenue growth through expanding its US sales force.

FORWARD LOOKING INFORMATION

This MD&A contains certain forward-looking statements. Forward-looking statements include but are not limited to, currency fluctuations, requirements for additional capital, Government regulation, environmental risks, disputes or claims, the Company’s goals, objectives and growth strategies, improving the patient experience, operational efficiency and overall care performance, the intention to be an active acquirer within the healthcare services and digital health marketplaces, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes” or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others; the actual results of current activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, failure of plant, equipment or processes to operate as anticipated, accidents, delays in obtaining government approvals or financing, risks relating to the integration of acquisitions and to international operations. While the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.