



CLOUD DX INC.

ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2020

Dated May 14, 2021

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INTRODUCTORY NOTES

Date of Information

All information contained in this Annual Information Form (“**AIF**”) is current as of December 31, 2020 with subsequent events disclosed to April 12, 2021.

Currency and Exchange Rates

All dollar amounts herein are expressed in United States dollars unless otherwise indicated.

Forward-Looking Information

This AIF contains certain statements, which may constitute “forward-looking information” within the meaning of Canadian securities law requirements (“**forward-looking statements**”). These forward-looking statements are made as of the date of this AIF and Cloud DX Inc. (the “**Cloud DX**”) does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Cloud DX management’s expectations or beliefs regarding future events. 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”, “pipeline”, “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” or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including “may”, “future”, “expected”, “intends” and “estimates”. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cloud DX to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Cloud DX provides 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. Certain forward-looking statements in this AIF include, but are not limited to the following:

- Cloud DX’s strategies and objectives, both generally and in respect of its existing business and planned business operations;
- Cloud DX’s plans to grow sales and offer new products;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technologies companies specifically;
- the expected demand for Cloud DX’s services;
- Cloud DX’s future cash requirements; and
- the timing, pricing, completion, and regulatory approval of proposed financings.

The above and other aspects of Cloud DX’s anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although Cloud DX believes that the expectations

reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such forward-looking statements are estimates reflecting Cloud DX's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. Such factors include but are not limited to Cloud DX's ability to obtain the necessary financing and the general impact of financial market conditions, the demand for Cloud DX's services, the success of Cloud DX's current and future development efforts, changes in prices of required commodities, competition, government regulations and other risks as set out under "Risk Factors" below.

Use of Market and Industry Data

This AIF includes market and industry data that has been obtained from third party sources, including industry publications, as well as industry data prepared by Cloud DX's management on the bases of its knowledge of and experience in the industry in which Cloud DX operates (including management's estimates and assumptions relating to the industry based on that knowledge). Management's knowledge of the industry has been developed through its experience and lengthy participation in the industry. Management believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although Cloud DX's management believes it to be reliable, it has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying economic assumptions relied upon by such sources.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF:

“**ABCA**” means the *Business Corporations Act (Alberta)*, as amended.

“**Affiliate**” means a corporation that is affiliated with another corporation as described below.

A corporation is an “Affiliate” of another corporation if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A corporation is “controlled” by a Person if:

- (c) voting securities of the corporation are held, other than by way of security only, by or for the benefit of that Person, and
- (d) the voting securities, if voted, entitle the Person to elect a majority of the directors of the corporation.

A Person beneficially owns securities that are beneficially owned by:

- (a) a corporation controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person.

“**Agency Agreement**” means the agency agreement dated March 15, 2021 among Cloud Canada, Cloud DX, Roosevelt and the Agents.

“**Agents**” means Haywood Securities Inc. and Echelon Wealth Partners Inc. (as co-lead Agents) and INFOR Financial Inc. and Research Capital Corporation, as agents under the Concurrent Financing.

“**Amalco**” means the corporation resulting from the amalgamation of Acquireco and Cloud Canada pursuant to the Arrangement Agreement.

“**Amalco Shares**” means the common shares in the capital of Amalco.

“**Amending Agreement**” means the amending agreement to the Letter of Intent dated October 15, 2020 between Cloud DX and Roosevelt, pursuant to which the parties agreed to effect the Transaction.

“**Arrangement**” means the arrangement pursuant to section 192 of the CBCA contemplated herein and giving effect to the transactions on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court either in the Interim Order or the Final Order with the consent of Cloud DX and Roosevelt. See “*The Transaction – Steps of the Transaction*”

“**Arrangement Agreement**” means the arrangement agreement dated effective January 29, 2021, as amended, among Cloud DX, Cloud Canada, Roosevelt and Acquireco, in the form attached as Schedule

“A”, setting forth the terms pursuant to which Cloud Canada, Roosevelt and Acquireco will complete the Arrangement.

“**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement required under section 192(6) of the CBCA to be sent to the registrar after the Final Order has been granted, in order to give effect to the Arrangement.

“**Associate**” when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him or her to more than 10% of the voting rights attached to outstanding securities of the issuer;
 - (b) any partner of the Person;
 - (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity; and
 - (d) in the case of a Person who is an individual:
 - (i) that Person’s spouse or child; or
 - (ii) any relative of the Person or of his or her spouse who has the same residence as that Person;
- but
- (e) where the TSXV determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member (as such term is defined in the TSXV Manual) firm, Member corporation or holding Cloud DX of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding Cloud DX.

“**Audit Committee**” has the meaning ascribed thereto under “*Information Concerning the Company – Company Officers and Directors - Committees*”.

“**Business**” means the business carried on by Cloud DX, being a provider of products and solutions in the highly regulated digital healthcare industry.

“**CBCA**” means the *Canada Business Corporations Act*, as amended.

“**Cloud DX**” or, the “**Company**” means Cloud DX Inc., a corporation existing under the CBCA.

“**Cloud DX Board**” means the board of directors of Cloud DX.

“**Cloud U.S.**” means Cloud DX, Inc., a Delaware entity.

“**Concurrent Financing**” means the brokered private placement by Cloud DX of 12,190,000 Subscription Receipts of Cloud Canada, at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$6,095,000.

“Consolidation” means the consolidation of the Roosevelt Shares on the basis of one post-consolidation Roosevelt Share for every 4.8123 pre-consolidation Roosevelt Shares, to be effected immediately prior to the Plan of Arrangement.

“Continuance” means the continuation of Roosevelt from the ABCA to the CBCA.

“Court” means the Ontario Superior Court of Justice (Commercial List).

“CPC Escrow Agreement” means the escrow agreement, as amended, in Form 2F of the TSXV dated June 27, 2019 among TSX Trust, as escrow agent, Roosevelt and each of the Roosevelt Shareholders party to the escrow agreement.

“CPC” means a corporation: (a) that has been incorporated or organized in a jurisdiction in Canada; (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities commissions in Canada in compliance with Policy 2.4 of the TSXV Manual; and (c) in regard to which the Final Exchange Bulletin has not yet been issued.

“Escrow Agent” means Odyssey Trust Company.

“Filing Statement” means this filing statement of Roosevelt dated March 31, 2021 filed with the TSXV pursuant to the TSXV requirements.

“Final Exchange Bulletin” means the TSXV bulletin issued following closing of a Qualifying Transaction and the submission of all required documentation and that evidences the final TSXV acceptance of a Qualifying Transaction.

“Final Order” means the order of the Court approving the Arrangement pursuant to section 192(4) of the CBCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed.

“Governmental Authority” means any Canadian or foreign, federal, provincial, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority).

“Insider” has the meaning ascribed thereto in the TSXV Manual.

“Interim Order” means the interim order of the Court concerning the Arrangement pursuant to section 192(4) of the CBCA, containing declarations and directions with respect to the Arrangement and Cloud Meeting, as such order may be amended.

“Licences” means all licences, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued or proposed to be issued by a Governmental Authority required for, or relating to, the conduct of the Business.

“Name Change” means the amendment to the articles of incorporation of Roosevelt to effect the name change of Roosevelt to “Cloud DX Inc.” or such other name the Roosevelt Board may determine and as agreed to by Cloud DX and is acceptable to the regulators.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**Note Private Placement**” means the non-brokered private placement by Cloud DX of Cloud Notes with rolling closings between March 2020 and January 2021.

“**NPS**” means net promoter score, a metric used in customer experience programs to measure loyalty of customers to a Cloud DX. Scores are measured with a single question survey and reported with a number from -100 to +100, a higher score is desirable.

“**Offerings**” means collectively, the Note Private Placement and Concurrent Financing.

“**Person**” means an individual, partnership, corporation, limited liability corporation, trust or any other entity.

“**Plan of Arrangement**” means the plan of arrangement under the CBCA substantially in the form and content of Schedule “A” to the Arrangement Agreement and any amendment or variation thereto made in accordance with the Plan of Arrangement or the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of Cloud DX and Roosevelt, each acting reasonably.

“**Promoter**” has the meaning ascribed thereto in Policy 1.1 of the TSXV Manual.

“**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Cloud DX or by other means.

“**Roosevelt**” means Roosevelt Capital Group Inc., as predecessor to the Company.

“**Roosevelt Shareholders**” means shareholders of the Company prior to the completion of the Arrangement.

“**Subscription Receipt Agreement**” means the subscription receipt agreement dated March 15, 2021 among Cloud Canada, the Subscription Receipt Agent and Haywood Securities Inc., as amended and supplemented from time to time.

“**Subscription Receipts**” means the subscription receipts of Cloud Canada issued pursuant to the Concurrent Financing at an issue price of \$0.50 per Subscription Receipt, each Subscription Receipt being convertible to one Cloud Unit.

“**Surplus Security Escrow Agreement**” means the TSXV form of Tier 2 Surplus Security escrow agreement entered into by the directors and officers of the Company with the Escrow Agent in connection with the Arrangement.

“**TSXV**” means the TSX Venture Exchange Inc.

“**TSXV Manual**” means the TSXV Corporate Finance Manual.

“**United States**” or “**USA**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“**Warrant Indenture**” means the warrant indenture dated March 15, 2021 among Cloud Canada and Odyssey Trust Company, as warrant agent thereunder, governing the terms of Cloud Canada Warrants.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated pursuant to the provision of the ABCA on February 22, 2019 under the name "Roosevelt Capital Group Inc." On May 2, 2019, the Company amended its articles to remove restrictions on the transfer of its common shares and other restrictions applicable to private issuers and to increase the minimum number of directors which from one (1) to three (3). The Company completed its initial public offering on August 19, 2019 pursuant to a prospectus dated June 27, 2019, and was listed on the TSXV as a CPC until it completed an arm's length Qualifying Transaction on April 12, 2021. As a CPC, the Company had no assets other than cash and did not carry on any operations.

The Company's Qualifying Transaction was structured as a reverse take-over by way of a statutory plan of arrangement under section 192 of the CBCA (the "**Arrangement**") involving the Company, a wholly-owned subsidiary of the Company, 12686163 Canada Inc. ("**Acquireco**"), and a private CBCA corporation 12632926 Canada Ltd. ("**Cloud Canada**").

Prior to the Arrangement, the Company amended its articles to complete the Name Change and Consolidation, and subsequently completed the Continuance under the CBCA. Additionally, Cloud Canada acquired all of the issued and outstanding shares of Cloud U.S. from the stockholders of Cloud U.S. in exchange for common shares in the capital of Cloud Canada, resulting in Cloud U.S. becoming a wholly-owned subsidiary of Cloud Canada.

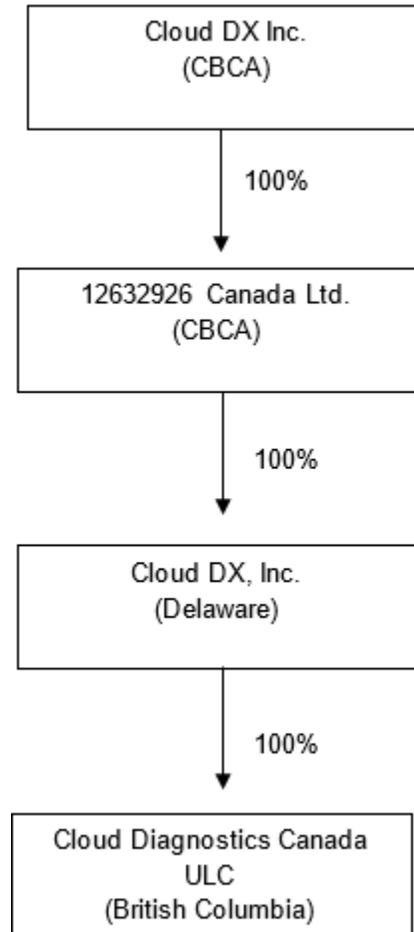
Pursuant to the Arrangement, Cloud Canada amalgamated with Acquireco to form new 12632926 Canada Ltd. ("**Amalco**") and all of the issued and outstanding common shares of Cloud Canada were exchanged for common shares in the capital of the Company. As a consequence of the Arrangement, Amalco became a wholly-owned subsidiary of the Company and the business activities of Cloud U.S. became the business of the Company.

On April 15, 2021, the common shares of the Company ("**Common Shares**") which were previously halted from trading on September 24, 2019 as a result of a previously announced and terminated Qualifying Transaction, resumed trading on the TSXV under the symbol "**CDX**".

The Company's head office is located at 72 Victoria Street S., Suite 100, Kitchener Ontario, N2G 4Y9 and its registered office is located c/o Dentons Canada LLP, 77 King Street West, Suite 400, Toronto, Ontario M5K 0A1.

Intercorporate Relationships

The following chart illustrates the corporate organization chart of the Company, together with the jurisdictions of existence and share ownership as of the date of this AIF:



GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Prior to the completion of the Qualifying Transaction on April 12, 2021, the Company was a CPC which had no assets other than cash and did not carry on any operations. Upon completion of the Qualifying Transaction, Cloud U.S. became an indirect wholly-owned subsidiary of the Company, and the business of Cloud U.S. became the business of the Company.

History of Roosevelt

Roosevelt issued an aggregate of 3,000,000 pre-Consolidation common shares (the "**Roosevelt Shares**") to its directors, officers and seed investors on February 22, 2019 and March 20, 2019 at a price of \$0.05 per share for gross proceeds of \$150,000. These shares were placed in escrow in accordance with the policies of the TSXV and an escrow agreement dated June 27, 2019.

Roosevelt completed its initial public offering of Roosevelt Shares on August 19, 2019 pursuant to a prospectus dated June 27, 2019 issuing 15,000,000 Roosevelt Shares at a price of \$0.10 per share for gross proceeds of \$1,500,000. In connection with the offering, the agent of the initial public offering was paid a cash commission equal to 10% of the gross proceeds, a corporate finance fee plus non-transferable

option to purchase up to 1,500,000 Roosevelt Shares at a price of \$0.10 per share for a period of two years from the date the Roosevelt Shares were first listed on the TSXV.

Roosevelt also granted 1,800,000 incentive stock options to its directors and officers which are exercisable for a period of ten years from the date of the grant, or one year from the date of the Final Exchange Bulletin at an exercise price of \$0.10 per Roosevelt Share.

The Roosevelt Shares began trading on the TSXV on August 19, 2019 under the symbol "ROSV.P".

On September 24, 2019, Roosevelt entered into a letter of intent concerning a proposed arm's length qualifying transaction involving a proposed business combination with Maxx Sports Technologies Limited, a private company incorporated under the laws of the State of Texas. On November 13, 2019, Roosevelt announced that the letter of intent had been terminated by Roosevelt.

On December 31, 2019, Roosevelt entered into a letter of intent concerning a proposed arm's length qualifying transaction involving a proposed business combination with Anahit International Corp., a private company incorporated under the laws of the Province of Ontario. On April 21, 2020, Roosevelt announced that the parties had agreed to terminate the letter of intent.

On April 30, 2020, Roosevelt and Cloud U.S. entered into an arm's length non-binding letter of intent pursuant to which the parties agreed to effect a business combination. On January 29, 2021, Roosevelt, Cloud Canada, and Acquireco entered into an arrangement agreement providing for, among other things, the Arrangement. On April 12, 2021, the Company completed the Arrangement, constituting the Company's Qualifying Transaction.

The following disclosure includes developments of the business of Cloud U.S. prior to the completion of the Arrangement.

2018

During the year ended December 31, 2018, Cloud U.S. issued 690 common stock ("**Cloud U.S. Shares**") for aggregate cash proceeds of US\$19,320, issued 246,062 Cloud U.S. Shares on conversion of convertible debentures including their related accrued interest. Additionally, Cloud U.S. issued unsecured convertible debentures for aggregate proceeds of US\$3,157,711.

2019

During the year ended December 31, 2019, Cloud U.S. issued 174,328 Cloud U.S. Shares for aggregate cash proceeds of US\$1,000,663, issued 22,436 Cloud U.S. Shares on conversion of convertible debentures including their related accrued interest and issued 9,953 Cloud U.S. Shares as payment for services provided by consultants. The shares issued to consultants were recorded based on the estimated fair value of Cloud U.S. Shares at the time, with reference to the share value per Cloud U.S. Share as at the most recent equity financing. Additionally, Cloud U.S. issued unsecured convertible debentures for aggregate proceeds of US\$1,923,476.

2020

On April 30, 2020, Cloud U.S. and Roosevelt entered into the letter of intent with respect to the Qualifying Transaction. On October 15, 2020, Cloud U.S. and Roosevelt entered into an amending agreement with respect to the Qualifying Transaction.

During the year ended December 31, 2020, Cloud U.S. issued 132,900 Cloud U.S. Shares for aggregate cash proceeds of US\$664,500, issued 101,181 Cloud U.S. Shares on conversion of convertible debentures including their related accrued interest, issued 97,505 Cloud U.S. Shares on conversion of notes payable, issued 5,793 Cloud U.S. Shares as payment for services provided by consultants and issued 4,000 Cloud U.S. Shares upon exercise of Cloud U.S. stock options. The shares issued to consultants were recorded based on the estimated fair value of Cloud U.S. Shares at the time, with reference to the share value per Cloud U.S. Share as at the most recent equity financing.

From March 2020 to January 2021, Cloud U.S. completed the Note Private Placement. Holders of Cloud U.S. notes earned prime plus 10% per annum interest which accrued up to conversion. The final closing of the Note Private Placement was in January 2021 and all notes were converted to Common Shares as a requirement of the Qualifying Transaction.

Subsequent Events

On January 29, 2021, the Company, Acquireco, Cloud U.S. and Cloud Canada entered into the Arrangement Agreement.

On March 15, 2021, Cloud Canada completed the first tranche of the brokered private placement of subscription receipts (the “**Concurrent Financing**”) at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$5,528,211. The second and final tranche of the Concurrent Financing closed on March 29, 2021 for additional gross proceeds of \$566,789.

On March 1, 2021, Cloud Canada received the Interim Order, and on March 25, the Final Order was obtained. The Arrangement closed on April 12, 2021, and the Final Bulletin was issued on April 14, 2021.

DESCRIPTION OF BUSINESS

General

Cloud DX offers a complete “end-to-end” virtual healthcare platform called Cloud DX Connected Health. Cloud DX is one of few virtual care companies to develop proprietary medical devices which collect multiple vital signs and clear the devices through regulatory agencies. Cloud DX customers purchase Connected Health in order to remotely monitor patients with serious chronic illness including COPD and CHF, as well as patients recovering from surgery. 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, we can constantly improve the patient user experience, making virtual care more engaging for those who need it most. By collecting unique and accurate remote data we can give clinicians more information to use in therapeutic decision making, while streamlining workflow with automated monitoring. Using advanced data science techniques, we can identify patterns 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 we can reduce costs and generate large return on investments for healthcare payers including Canadian provinces, territories and United States insurance providers.

Products and Services

Connected Health Devices and Software

Cloud DX Connected Health Kits include our proprietary Pulsewave wrist cuff blood pressure monitor, Cloud DX Bluetooth pulse oximeter, 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.

Patient Engagement and Outcome Improvement

Connected Health has been shown to improve patient outcomes for patients with COPD and patients recovering from surgery. Patients report feeling empowered 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 emergency room visits and admissions, or readmissions. For example, in Canada an average hospital admission for a COPD exacerbation costs approximately CAD\$7,500, while an admission to the intensive care unit averages approximately CAD\$30,000¹. 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 multiple studies².

Advanced Data Analytics and Artificial Intelligence

Beyond remote patient monitoring, Cloud DX is developing more advanced ways to improve patient outcomes on a population level. One example is Cloud DX AcuScreen™ cough analysis mobile smartphone application. This patented software solution records the sound of a patient coughing on a standard smartphone. Cloud-based algorithms analyze the signals and determine the likelihood that the patient has one of several respiratory diseases, including tuberculosis and pneumonia. Cough Analysis is now in clinical trials in Maputo Mozambique.

Operations

¹ "Patient Cost Estimator" Canadian Institute for Health Information www.ciihi.ca.

² "Evaluating the Use of Mobile Health Technology in Older Adults with Heart Failure", JMIR-Aging, April 2018; "A Comparison and Calibration of a Wrist-Worn Blood Pressure Monitor for Patient Management", JMIR, April 2018; "Technology-Enabled Self-Management of Chronic Obstructive Pulmonary Disease", JMIR, July 2020.

Product Manufacturing

Cloud DX software products are developed entirely in-house, primarily at Cloud DX's Kitchener, Ontario technology centre which also delivers all patient engagement services with in-house employees. Cloud DX sells medical devices for remote patient monitoring, some of which are designed and assembled in-house, some of which are assembled by contract manufacturers to Cloud DX specifications, and some of which are purchased off-the-shelf from various vendors. The Pulsewave PAD-1A blood pressure monitor is manufactured by Cloud DX and was previously assembled at a contract manufacturer in China by Biosign Technologies Inc. ("**Biosign**"), prior to Cloud DX purchasing the assets of Biosign. Cloud DX WPO-10 and WPO-20 fingertip pulse oximeters are assembled to Cloud DX specifications by a contract manufacturer in Shenzhen, China. The Pulsewave PAD-2 blood pressure and respiration monitor will be assembled entirely in-house by Cloud DX employees at a new 7,000 sq. foot manufacturing centre in Kitchener. Cloud DX patient engagement services are provided via phone and online, entirely by in-house Support and Customer Success staff based in several locations across North America.

Components for Cloud DX-assembled medical devices are sourced from multiple vendors in diverse locations including Canada, the United States, Japan, South Korea and Germany. For the majority of in-house assembled products, Cloud DX identifies more than one vendor and for critical components Cloud DX's standard practice is to identify more than one vendor. Cloud DX chooses component vendors based on a matrix of attributes that includes quality, failure rate, time to delivery, support policies and cost. Typical component availability can vary from as short as 2 weeks to as long as 24 weeks. With longer lead-time parts, Cloud DX orders larger amounts in order to maintain sufficient inventory to meet projected demand.

Facilities and Equipment

Cloud DX maintains our largest office and technology center at 72 Victoria Street in Kitchener Ontario. This location has recently expanded to nearly 14,000 square feet, and includes the software development team, quality & regulatory affairs, the customer support team, research & development, Canadian logistics, shipping, receiving and will shortly commence assembly of the Pulsewave 2.0 blood pressure device. Our Kitchener operations are certified for quality management under ISO 13485, and we hold a Health Canada Medical Device Establishment License which is audited annually by TUV-SUD. In addition to the more than 35 full time staff at Victoria Street, Cloud DX employs senior managers who work remotely, from Sidney, British Columbia, Toronto, Ontario, Halifax, Nova Scotia and Brooklyn, New York. Canadian sales are managed by staff in Kitchener and remote sales & business development employees across North America. Cloud DX operates virtual machines in the Microsoft Azure cloud, in data centers located in Toronto, Ontario, Quebec City Quebec and Boston Massachusetts.

Cloud DX manages United States operations and logistics from a 2,000 square foot facility at 20 Jay Street, Brooklyn, New York. This location is registered with the Food & Drug Administration and audited annually by TUV-SUD. Operations in Brooklyn include United States sales, marketing, shipping, receiving, customer service and storage of Connected Health Kits for United States delivery.

The Kitchener, Ontario lease with Allied REIT carries a 60 month term with approximately 54 months remaining. Rent is approximately \$32,500 per month. The Brooklyn, New York lease with Brooklake Assoc. LLC carries a 12 month term with approximately 7 months remaining. Rent is US\$5,200 per month. All leases are in good standing and are arm's-length. Physical plant and equipment at both locations are owned by Cloud DX.

Specialized Skill and Knowledge

Cloud DX has deep experience with patient management programs, particularly in support of patients living with chronic disease, patients recovering from COVID-19 in an outpatient setting and recovering post surgical patients. Cloud DX also has experience providing compassionate care to patient communities including difficult to service rural, resource challenged and First Nations communities. Cloud DX builds and maintains both hardware and software within a Quality Management System (QMS) certified under ISO 13485:2016 (Certificate #QS1-17-12-98031-005). Cloud DX's Pulsewave and Wireless Pulse Oximeter have Health Canada Class II Medical Device Licenses (MDL70264 and MDL100448, respectively), and the remaining suite of hardware and software solutions are covered under Cloud DX's Health Canada Medical Device Establishment License (MDEL License #6984).

Competitive Conditions

According to government statistics, in Canada 5+ million people over 35 suffer from COPD, CHF or their precursors.^{3,4} Meanwhile, 50+ million Americans over the age of 65 qualify for reimbursed remote patient monitoring and chronic care management paid for by United States Medicare "CPT Codes".⁵ Cloud DX Connected Health solutions are reimbursed to the provider in the United States by Medicare billing codes CPT 99453 and CPT 99454⁶. These billing codes pay Medicare physicians approximately US\$150.00 per patient per month.

Standard Devices

Competing telehealth and remote monitoring companies use standard, off-the-shelf medical devices from vendors including A&D Medical, Nonin, Tunstall, iHealth, AndesFit and ForaCare. A&D Medical, Tunstall and Nonin are legacy providers, meaning that their products were generally designed and approved several years ago. The others are less expensive Asian manufacturers whose devices can be considered "commodities". Cloud DX's advantage is that our devices are designed for remote patient monitoring from scratch. They are clinically proven to be accurate⁷, easier to use (eg: wrist vs arm cuff for blood pressure) and offer unique vital sign measurements such as respiration rate, cardiac anomaly scans and average blood pressure. Our device kits are often less expensive because we manufacture the blood pressure cuff, pulse oximeter and weight scale ourselves.

Remote Patient Monitoring Apps Using 3rd Party Devices

Companies we compete with most often in "request for proposals" and head-to-head for remote patient monitoring contracts include Telus Health, Philips, GE Healthcare, Vivify Health and Health Recovery Solutions. These companies universally purchase off-the-shelf devices from the vendors mentioned above, and then offer either a dedicated internet gateway or a tablet and mobile app for patient use. Cloud DX's advantage is the design and creation of our solution from end-to-end. We completely control the entire patient and clinician user experience, allowing us to constantly improve both. Our device data is calibrated with every reading, making it 'trustable'. Vertical supply chain integration gives us a cost advantage.

³ <https://health-infobase.canada.ca/datalab/copd-blog.html>

⁴ <https://www.canada.ca/en/public-health/services/publications/diseases-conditions/heartdisease-canada-fact-sheet.html>

⁵ <https://www.cms.gov/medicare/>

⁶ <https://www.pyapc.com/insights/new-medicare-paymentsfor-virtual-services-effective-january-1-2019/>

⁷ "A Comparison and Calibration of a Wrist-Worn Blood Pressure Monitor for Patient Management: Assessing the Reliability of Innovative Blood Pressure Devices" JMIR, April 2018

Customer Service

Cloud DX continues to win new contracts against some of the largest competitors in North America, and one of the deciding factors is our outstanding Customer Support & Service. Cloud DX's Advantage is its customer focused core values of transparency, nimbleness and responsiveness. We achieve 100% patient satisfaction scores and in one recent survey a clinician NPS of 82, which is considered "very good".

Telemedicine & Digital Healthcare

COVID-19 has brought dramatic change to the utilization of telehealth and virtual care. According to a July 28th, 2020 press release from the United States Department of Health & Human Services, "Medicare in-person visits for primary care fell precipitously in mid-March 2020. Then in April 2020, nearly half (43.5%) of Medicare primary care visits were provided through telehealth compared with less than one percent (0.1%) in February before the Public Health Emergency ("PHE"). The release goes on to state, "Internal Centres for Medicare and Medicaid Services analysis found that before the PHE, only 14,000 Medicare beneficiaries received a telehealth service in a typical week but during the PHE period from mid-March through early-July 2020, over 10.1 million beneficiaries have received a telehealth service."⁸

A report published on May 29th, 2020 by McKinsey predicted that as much as US\$250B of current U.S. healthcare spending could theoretically be virtualized. Citing a handful of recent consumer and physician surveys conducted by the firm, the report's authors highlight a jump from 11% of U.S. consumers reporting use of these technologies in 2019 to 76% now saying they were moderately or highly likely to use telehealth going forward. Further, provider survey respondents said they are now conducting 50 to 175 times the number of telehealth visits than they did prior to COVID-19, with 57% noting that they now view telehealth more favorably⁹.

New Products

Demand for Pulsewave 2.0 and VITALITI is expected to increase throughout 2021 and 2022. These new products will drive additional revenue as they are approved and launched. For example, the VITALITI continuous vital sign monitor can be used as a very accurate wearable device addressing the Mobile Cardiac Telemetry use case. According to an analysis by UnivDatos Market Insights ("UMI"), the Mobile Cardiac Telemetry market was valued at US\$563.7M in 2018 and is predicted to reach US\$1.2B by 2025. The market is expected to experience "tremendous growth" with a 12.34% compounded annual growth rate during the forecast period (2019-2025) according to UMI¹⁰.

Intangible Properties

Cloud DX has five (5) granted patents, six (6) pending patents and three (3) licensed patents. One (1) of the pending patents, US16/998,361 "System and Method of Determining Breathing Rates from Oscillometric Data" has been issued a Notice of Allowance from the US Patent & Trademark Office and is expected to be issued within the next 90 days. The terms of the license for patent US6,612,985 "Method and System for Monitoring and Treating a Patient" are: fully paid up, non-exclusive, perpetual worldwide license from licensor MyHealth Inc. granted on January 27, 2017. The other two (2) licensed patents, US9,526,458 and US10,485,449 both for "Cough Analysis" are exclusive, worldwide patents for the mobile

⁸ <https://www.aspe.hhs.gov/pdf-report/medicare-beneficiary-use-telehealth>

⁹ "Telehealth: A quarter-trillion-dollar post-COVID-19 reality?" www.mckinsey.com

¹⁰ "Mobile Cardiac Telemetry Devices market 2019-2025" UMI, April 2020

application of cough analysis software, licensed from Speech Technology and Applied Research Corporation of Bedford, MA (the "**Licensor**") granted on October 1, 2016 for an initial term of five (5) years, with automatic renewals thereafter provided neither party is in breach of the agreement, which breach remains uncured in accordance with the terms of the agreement. Prior to commercialization, Cloud DX will pay the Licensor a minimum annual royalty of \$20,000 against which Cloud DX can off-set up to \$15,000 in R&D, development and marketing costs. Once a Cough Analysis application that incorporates any of the licensed intellectual property is commercialized, Cloud DX will pay the Licensor the higher of \$0.20 per download or 8% of the purchase price of each download.

Granted Patents:

Patent Number	Patent Content
US9,946,844	Systems And Methods For Monitoring Patient Medication Adherence
US10,022,053	Simultaneous Multi-Parameter Physiological Monitoring Device With Local And Remote Analytical Capability
US10,463,299	Systems And Methods For Monitoring Medication Effectiveness
US10,642,046	Augmented Reality Systems For Time Critical Biomedical Applications
US10,893,837	Simultaneous multi-parameter physiological monitoring device with local and remote analytical capability

Licensed Patents:

Patent Number	Patent Content
US6,612,985	Method And System For Monitoring And Treating A Patient
US9,526,458	Cough Analysis
US10,485,449	Cough Analysis

Patent applications:

Patent Number	Patent Content
US16/998,361	System And Method Of Determining Breathing Rates From Oscillometric Data (NOA received February 23, 2021)
US16/425,721	Harness Mounted Patient Monitoring System And Method
PCT/US19/24007	Augmented Reality Systems For Time Critical Biomedical Applications
US15/268,556	Comprehensive Body Vital Sign Monitoring System
US16/673,611	Systems And Methods For Monitoring Medication Effectiveness
US62/138,377	Comprehensive Body Vital Sign Monitoring System With Neck And Ear Mounted Device

Additionally, Cloud DX has (4) registered trademarks and claims six (6) common law trademarks, as set forth below:

Registered Trademarks

Trademark Number	Trademark Content
US85722880	Pulsewave® - medical device
US85882371	Cloud Diagnostics® - software platform
US86730223	Cloud DX® - software platform
US86594090	VITALIA – medical monitoring device

Common Law Trademarks

Trademark Name	Trademark Content
Connected Health™	medical device platform
Vitaliti™	research platform with artificial intelligence
Total Anomaly Score™	software application
Cough Analysis™	software application
Pay As You Bill™	financing plan
AcuScreen™	software application

Environmental Protection and Foreign Operations

Environmental regulations, controls on ownership and controls on repatriation of profits are not expected to have a material effect on the company’s business. Political conditions that affect the Company’s operations include the new Biden administration in the United States, which may be expected to invest more in healthcare innovation than the previous government. Globally, the COVID-19 pandemic has impacted Cloud DX in a positive way, because the demand for virtual care has increased exponentially. This new demand for remote patient engagement tools is expected to continue to increase at a compound annual growth rate of 38% between now and 2025¹¹.

Employees

Together Cloud DX and its wholly owned subsidiary Cloud Diagnostics Canada ULC employed 41 people as of December 31, 2020. As of the date of this filing statement employee count is 51.

RISK FACTORS

The following are certain risk factors relating to the business and securities of Cloud DX. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. These risks and uncertainties are not the only ones facing Cloud DX. Additional risks and uncertainties not presently known to Cloud DX, or that Cloud DX currently deems immaterial, may also impair the operations of Cloud DX. If

¹¹ “Telehealth/Telemedicine Market by Component, Application, Hardware, End-User, Delivery Global Forecast to 2025” Report Linker Nov 23, 2020.

any such risks actually occur, the business, financial condition and/or liquidity and results of operations of Cloud DX could be materially adversely affected.

Risk Factors Relating to the Company's Business and Industry

Limited Operating History

Cloud DX is an early stage company having been founded in 2014 and, as a result, it has limited operating history upon which its business and future prospects may be evaluated. Cloud DX will be subject to all of the business risk and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for Cloud DX to meet future operating and debt service requirements, Cloud DX will need to be successful in its growing, marketing and sales efforts. Additionally, where Cloud DX experiences increased sales, Cloud DX's current operational infrastructure may require changes to scale Cloud DX's businesses efficiently and effectively to keep pace with demand, and achieve long-term profitability. If Cloud DX's products and services are not accepted by new customers, Cloud DX's operating results may be materially and adversely affected.

Additional Requirements for Capital

In order to execute its anticipated growth strategy, Cloud DX may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures, or to undertake business combination transactions or other initiatives. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There can be no assurance that additional financing will be available to Cloud DX when needed or on terms which are acceptable. Cloud DX's inability to raise additional financing could limit Cloud DX's growth and may have a material adverse effect upon its business, operations, results, financial condition or prospects.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing Shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of the existing Shareholders. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for Cloud DX to obtain additional capital and to pursue business opportunities.

Acquisitions and Integration of New Businesses

Cloud DX may acquire additional businesses. Cloud DX's acquisition strategy involves a number of risks related to the realization of synergies and overall integration of Cloud DX's operations including but not limited to human resources, Cloud DX culture, information technology, data integrity, information systems, business processes and financial management. If a strategy of growth through acquisition is pursued, the failure of Cloud DX to successfully manage this strategy could have a material adverse effect on Cloud DX's business, results of operations and financial condition. Furthermore, if acquired businesses and assets are not successfully integrated, Cloud DX may not achieve the anticipated benefits or growth opportunities.

Failure to Manage Growth

If the Company is unable to manage its continued growth successfully, its business and results of operations could suffer. Cloud DX's ability to manage growth will require it to continue to build its operational, financial and management controls, contracting relationships, marketing and business

development plans and controls and reporting systems and procedures. Cloud DX's ability to manage its growth will also depend in large part upon a number of factors, including the ability for it to rapidly:

- expand its internal and operational and financial controls significantly so that it can maintain control over operations;
- attract and retain qualified technical personnel in order to continue to develop reliable and flexible products and provide services that respond to evolving customer needs;
- build a sales team to keep customers and partners informed regarding the technical features issues and key selling points of its products and services;
- develop support capacity for customers as sales increase; and
- build a channel network to create an expanding presence in the evolving marketplace for its products and services.

An inability to achieve any of these objectives could harm the business, financial condition and results of operations of Cloud DX.

Inability to Leverage Technology

Cloud DX's future growth depends, in part, on its ability to leverage its technology to offer new solutions. Development of new solutions is complex and subject to a number of risks present in the industry. Cloud DX may not be able to successfully launch new solutions, and there can be no assurances Cloud DX's engineering and development efforts will be successful in competing and launching such solutions. There can be no assurances that Cloud DX will successfully develop or commercialize new solutions in a timely manner or at all, or that such solutions will achieve market acceptance. Any failure to design and implement new solutions on a timely basis and at a price acceptable to Cloud DX's target markets may have a material adverse effect on Cloud DX's business, growth, operating results and financial condition.

Operating Risks

The Company's expenses will likely increase in the future as it develops and launches new products, expands in existing and new markets, increases sales and marketing efforts and continues to invest in its products. These efforts may be more costly than expected and may not result in increased revenue or growth in the Company's business. Certain platform features may require significant capital investments and recurring costs, including maintenance, depreciation, asset life and asset replacement costs, and if the Company is not able to generate sufficient levels of utilization of such assets or such platform features are otherwise not successful, such investments may not generate sufficient returns and the Company's financial condition may be adversely affected. Any failure to increase revenue sufficiently to keep pace with investment and other expenses could prevent the Company from achieving or maintaining profitability or positive cash flow on a consistent basis. If the Company is unable to successfully address these risks and challenges as it encounters them, its business, financial condition and results of operations could be adversely affected.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on the Company under applicable law, in each case the Company cannot be certain that such measures will ensure that the Company maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and could result in a Material Adverse Effect.

Revenue Risk

The Company's success depends, in part, on the Company's ability to add new customers or increase revenue from its existing customers. Numerous factors, however, may impede its ability to add new customers and increase revenue from its existing customers, including Cloud DX's inability to convert new organizations into paying customers, failure to attract and effectively retain new sales and marketing personnel, failure to retain and motivate Cloud DX's current sales and marketing personnel, failure to develop or expand relationships with channel partners, failure to successfully deploy products for new customers and provide quality customer support once deployed, or failure to ensure the effectiveness of its marketing programs. In addition, if prospective customers do not perceive Cloud DX's products to be of sufficiently high value and quality, Cloud DX will not be able to attract the number and types of new customers that it is seeking.

In addition, Cloud DX's ability to attract new customers and increase revenue from existing customers depends in large part on its ability to enhance and improve its existing products and to introduce compelling new products that reflect the changing nature of its market. The success of any enhancement to its products depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with existing technologies and its products, and overall market acceptance. If Cloud DX is unable to successfully develop new products, enhance its existing products to meet customer requirements, or otherwise gain market acceptance, its business, results of operations and financial condition would be harmed.

Credit and Liquidity Risk

The Company will be exposed to counterparty risks and liquidity risks including, but not limited to: (a) through suppliers of the Company which may experience financial, operational or other difficulties, including insolvency, which could limit or suspend those suppliers' ability to perform their obligations under agreements with the Company; (b) through financial institutions that may hold the Company's cash and cash equivalents; (c) through entities that will have payables to the Company; (d) through the Company's insurance providers; and (e) through the Company's lenders, if any. The Company will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these risks materialize, the Company's operations could be adversely impacted and the price of the Company Shares could be adversely affected.

Dependence on Key Management Personnel

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management as well as certain consultants, namely its Chief Executive Officer and Chief Operating Officer (the “**Key Personnel**”). The Company’s future success depends on its continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a Material Adverse Effect on the Company’s ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent upon having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major capital expenditure programs may be significantly greater than anticipated or available, in which circumstance there could be a Materially Adverse Effect on the financial results of the Company.

Governmental regulation and funding, permits and licenses

Any alleged failure by the Company to comply with applicable laws and regulations may lead to the imposition of fines and penalties or the denial, revocation or delay in the renewal of permits and licenses issued by governmental authorities. Furthermore, government policy related to healthcare spending can change and decisions can be made regarding funding that are beyond the Company’s control. Any change in governmental regulations could require significant investments or could result in increased costs for the Company. The Company may also be subject to audits, fines, or other penalties in the event of non-compliance with regulations, either existing or proposed. Non-compliance could also adversely affect the reputation, operations or financial performance of the Company.

Approvals, Licenses and Permits

The operations of the Company in the future may require licences and permits from various Governmental Authorities. The Company currently has all permits and licences that it believes are necessary to carry on its current business operation with the intention of obtaining additional licences and permits for additional operations as they are required. The Company will require additional licences or permits in the future to achieve its intended operations and there can be no assurance that the Company will be able to obtain all such additional licences and permits. In addition, there can be no assurance that any existing licence or permit will be renewable if and when required or that such existing licences and permits will not be revoked.

The U.S. Food and Drug Administration, Health Canada and comparable agencies in other foreign countries impose requirements upon the design, development, manufacturing, marketing and distribution of medical devices. The applicable regulations require clearance or approval before the devices can be sold. After the applicable approvals and/or clearances are granted the regulatory agencies require companies to

comply with quality system requirements, investigate complaints, report and investigate certain adverse events and device malfunctions, comply with marketing restrictions and maintain annual registrations.

Cloud DX has U.S Food and Drug Administration 510(k) premarket clearance (K122443) for the United States and Medical Device Licenses #70264 and #6984 for Health Canada. These registrations are legal prerequisites for Cloud DX, and the Company, to market and sell its Connected Health Kits in the United States and Canada, and many countries worldwide, that accept these registrations.

Competition

The market for digital health monitoring technology is competitive and characterized by rapid changes in technology, demands and frequent introductions of new products. It is expected that competition will continue, both from current competitors and new entrants in the market that may be well-established and enjoy greater resources or other strategic advantages. If the Company is unable to anticipate or react to these competitive challenges, its competitive position could weaken, or fail to improve, and it could experience growth stagnation that could adversely affect its business, financial condition and results of operations.

The Company's main competitors in the United States and Canada include Telus Health, Philips, GE Healthcare, Vivify Health and Health Recovery Solutions.

Certain of these competitors have greater financial, technical, marketing, research and development, and other resources, greater name recognition, longer operating histories or a larger customer base than Cloud DX does. They may be able to devote greater resources to the development, promotion and sale of offerings and offer a more desirable product, which could adversely affect results of operations. Further, they may have greater resources to deploy towards the research, development and commercialization of new technologies, or they may have other financial, technical or resource advantages. The Company's current and potential competitors may also establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their resources and offerings.

If the Company is unable to compete successfully, its business, financial condition and results of operations could be adversely affected.

Changes in Laws, Regulations and Guidelines

The Company is subject to a wide variety of laws in Canada, the United States and other jurisdictions. Laws, regulations and standards governing issues such as product liability, personal injury, intellectual property, consumer protection, taxation, privacy, data security, competition, terms of service, money transmittal and background checks are often complex and subject to varying interpretations, in many cases due to their lack of specificity. As a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, provincial, state and local administrative agencies.

Cloud DX's business model is relatively nascent and rapidly evolving. New laws and regulations and changes to existing laws and regulations continue to be adopted, implemented and interpreted in response to industry. As the Company expands its business into new markets or introduces new offerings into existing markets, regulatory bodies or courts may claim that the Company or users of its products are subject to additional requirements, or that the Company is prohibited from conducting business in certain

jurisdictions, or that users of its products are prohibited from using the platform, either generally or with respect to certain offerings.

Recent financial, political and other events may increase the level of regulatory scrutiny in the Company's industry. Regulatory bodies may enact new laws or promulgate new regulations that are adverse to the Company's business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to the Company's business. Such regulatory scrutiny or action may create different or conflicting obligations on us from one jurisdiction to another.

Competitors and other stakeholders may perceive our business model negatively and consequently raise their concerns to local policymakers and regulators. These businesses and their trade association groups or other organizations may take actions and employ significant resources to shape the legal and regulatory regimes in jurisdictions where the Company may have, or seek to have, a market presence in an effort to change such legal and regulatory regimes in ways intended to adversely affect or impede the Company's business and the ability of users to purchase products.

Any of the foregoing risks could harm the Company's business, financial condition and results of operations.

Confidentiality of Personal and Health Information

Employees of the Company and its subsidiaries, in the course of their duties, will have access to personal health information and, specifically, medical histories of patients or claimants of clients of the Company and its subsidiaries. There can be no assurance that the Company's policies, procedures and systems will be adequate to address privacy legislation or the privacy concerns of existing and future patients or clients. The Company could be liable for damages, fines, penalties, or reputational damage in the event of a privacy breach or if a patient or client's privacy is violated.

Cloud DX's products are used to transmit, receive and store a large volume of data, including personal information and other confidential information. Cloud DX does not regularly monitor or review the content that its customers upload and store and, therefore, does not control the substance of the content on its servers, which may include personal information. Cloud DX may experience successful attempts by third parties to obtain unauthorized access to the personal information of its customers. This information could also be otherwise exposed through human error or malfeasance. The unauthorized access or compromise of this personal information could have an adverse effect on Cloud DX's business, financial condition and results of operations.

Cloud DX is also subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data and its agreements with certain customers require Cloud DX to notify them in the event of a security incident. Cloud DX has posted on its website its privacy policy and terms of service, which describe its practices concerning the use, transmission and disclosure of customer data. In addition, the interpretation of data protection laws in the United States, Canada and elsewhere, and their application to the Internet, is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from jurisdiction to jurisdiction, and in a manner that is not consistent with Cloud DX's current data protection practices. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for non-compliance. Any such new laws or regulations, or changing interpretations of existing laws and regulations, may cause Cloud DX to incur significant costs and effort to ensure compliance.

Cloud DX's failure to comply with federal, state, provincial and foreign laws regarding privacy and protection of data, as applicable, could lead to significant fines and penalties imposed by regulators, as well as claims by its customers and their customers. These proceedings or violations could force Cloud DX to spend money in defense or settlement of such proceedings, result in the imposition of monetary liability, divert management's time and attention, increase Cloud DX's costs of doing business, and adversely affect Cloud DX's reputation and the demand for its products. In addition, if Cloud DX's security measures fail to adequately protect personal information, Cloud DX could be liable to both its customers and their customers for their losses. As a result, Cloud DX could be subject to fines, could face regulatory action, and its customers could end their relationships with Cloud DX. There can be no assurances that the limitations of liability in Cloud DX's contracts would be enforceable or adequate or would otherwise protect Cloud DX from any such liabilities or damages with respect to any particular claim. Cloud DX also cannot be sure that its existing general liability insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or at all, or will be available in sufficient amounts to cover one or more large claims, or that its insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against Cloud DX that exceeds its available insurance coverage, or changes in its insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on its business, financial condition and results of operations.

General Healthcare Regulation

Healthcare service providers in Canada are subject to various governmental regulations and licensing requirements and, as a result, Cloud DX's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in government regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial conditions and results of operations of Cloud DX's businesses. In addition, Cloud DX could incur significant costs in the course of complying with any changes in the regulatory regime. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations or financial performance of Cloud DX.

Compliance with Laws

The Company's operations are subject to various laws, regulations and guidelines. The Company endeavours to comply with all relevant laws, regulations and guidelines. However, there is a risk that the Company's interpretation of laws, regulations and guidelines, including, but not limited to the *Federal Food, Drug and Cosmetic Act* (21 U.S.C. 9) ("**FFDCA**"), *The Health Insurance Portability and Accountability Act of 1996* (Pub. L. 104-191. Stat. 1936) ("**HIPAA**"), *Food and Drugs Act* (R.S.C., 1985, c. F-27) ("**Food and Drugs Act**"), *Personal Health Information Protection Act*, 2004, (S.O. 2004, c. 3, Sched. A) ("**PHIPA**"), *Personal Information Protection and Electronic Documents Act* (S.C. 2000, c. 5) ("**PIPEDA**"), the regulations thereunder and applicable stock exchange rules and regulations, may differ from those of others, and the Company's operations may not be in compliance with such laws, regulations and guidelines. In addition, achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by Governmental Authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals required by the Company may significantly delay or impact the development of the Company's business and operations, and could have a Material Adverse Effect on the business, results of operations and financial condition of the Company. Any potential non-compliance could cause the

business, financial condition and results of the operations of the Company to be adversely affected. Further, any amendment to or replacement of the FFDCA, HIPAA, Food and Drugs Act, PHIPA, PIPEDA, or other applicable rules and regulations governing the activities of the Company may cause adverse effects to the Company's operations. The risks to the business of the Company associated with the decision to amend or replace the FFDCA, HIPAA, Food and Drugs Act, PHIPA, PIPEDA and subsequent regulatory changes, could reduce the potential customers of the Company and could materially and adversely affect the business, financial condition and results of operations of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws or regulations, may have a material adverse impact on the Company, resulting in increased capital expenditures which could have a Material Adverse Effect on the business, results of operations and financial condition of the Company.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a Material Adverse Effect on the Company.

Litigation

Cloud DX may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause Cloud DX to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and Cloud DX could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. Substantial litigation costs or an adverse result in any litigation may adversely impact Cloud DX's business, operating results or financial condition.

Changes in Technology

Cloud DX operates in a competitive industry characterized by rapid technological change and evolving industry standards. Cloud DX's ability to attract new customers and increase revenue from existing customers will depend largely on its ability to anticipate industry standards and trends, respond to technological advances in its industry, and to continue to enhance existing products or to design and introduce new products on a timely basis to keep pace with technological developments and its customers' increasingly sophisticated needs. The success of any enhancement or new product depends on several factors, including the timely completion and market acceptance of the enhancement or new product. Any new product Cloud DX develops or acquires might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of Cloud DX's competitors implements new technologies before Cloud DX is able to implement them, those competitors may be able to provide more effective products than Cloud DX at lower prices. Any delay or

failure in the introduction of new or enhanced products could harm Cloud DX's business, results of operations and financial condition.

Cloud DX's products are expected to embody complex technology that may not meet those standards, changes and preferences. Cloud DX's ability to design, develop and commercially launch new products depends on a number of factors, including, but not limited to, its ability to design and implement solutions and services at an acceptable cost and quality, its ability to attract and retain skilled technical employees, the availability of critical components from third parties, and its ability to successfully complete the development of products in a timely manner. There is no guarantee that Cloud DX will be able to respond to market demands. If Cloud DX is unable to effectively respond to technological changes, or fails or delays to develop products in a timely and cost-effective manner, its products and services may become obsolete, and Cloud DX may be unable to recover its research and development expenses which could negatively impact sales, profitability and the continued viability of its business.

Information Technology

The Company will rely on the continued and uninterrupted performance of its information technology systems in order to transmit and store sensitive and confidential data, including personal health information. Sustained system failures or interruptions could disrupt the Company's ability to operate effectively, which in turn could adversely affect its business, results of operations and financial condition.

The Company's computer systems may be vulnerable to damage from a variety of sources, including physical or cyber-attacks, computer viruses and similar disruptive problems. There can be no assurance that the Company's controls will be adequate to safeguard against unanticipated problems leading to unauthorized access, use, or disclosure of sensitive information, corruption or destruction of data, or operational disruption.

A compromise of the Company's information technology systems or confidential information, or that of the Company's patients and third parties with whom the Company interacts, may result in negative consequences, including the inability to continue providing services to patients and customers, damage to the Company's reputation, potential liability under privacy, security, consumer protection or other applicable laws, regulatory penalties and additional regulatory scrutiny, any of which could have a Material Adverse Effect on the Company's business, financial position, results of operations or cash flows for which the Company's insurance policies may not provide adequate compensation. In addition, evolving cyber threats may require significant investments by the Company or could result in increased costs for the Company.

Infrastructure Risk

Cloud DX's continued growth depends, in part, on the ability of its existing and potential customers to access its platform 24 hours a day, seven days a week, without interruption or degradation of performance. Cloud DX may experience disruptions, data loss, outages and other performance problems with its infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks, or other security related incidents. In some instances, Cloud DX may not be able to identify the cause or causes of these performance problems immediately or in short order. Cloud DX may not be able to maintain the level of service uptime and performance required by its customers, especially during peak usage times and as its products become more complex and its user traffic increases. If Cloud DX's platform is unavailable or if Cloud DX's customers are unable to access its products or deploy them within a reasonable amount of time, or at all, Cloud DX's business would be harmed. Since Cloud DX's customers rely on its service to access and complete their

work, any outage on Cloud DX's platform would impair the ability of its customers to perform their work, which would negatively impact Cloud DX's brand, reputation and customer satisfaction. Moreover, Cloud DX depends on services from various third parties to maintain its infrastructure and distribute its products. Any disruptions in these services, including as a result of actions outside of its control, would significantly impact the continued performance of Cloud DX's products. In the future, these services may not be available to Cloud DX on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of Cloud DX's products until equivalent technology is either developed by Cloud DX or, if available from another provider, is identified, obtained and integrated into Cloud DX's infrastructure. If Cloud DX does not accurately predict its infrastructure capacity requirement, its customers could experience service shortfalls. Cloud DX may also be unable to effectively address capacity constraints, upgrade its systems as needed, and continually develop its technology and network architecture to accommodate actual and anticipated changes in technology.

Third party licenses

The technology of the Company may require the use of other existing technologies and processes which are currently, or in the future will be, subject to patents, copyrights, trademarks, trade secrets and/or other intellectual property rights held by other parties. The Company may need to obtain one or more licenses to use those other existing technologies. If the Company is unable to obtain licenses on reasonable commercial terms from the holders of such intellectual property rights, the Company could be required to halt development and manufacturing or redesign the technology, failing which the Company could bear a substantial risk of litigation for infringement or misappropriation of such intellectual property rights. In any such event, the business and operations of the Company could be materially adversely affected.

Use of Open Source Software

Cloud DX's operations depend, in part, on how it makes use of certain open source software products. These open source software products are developed by third parties over whom Cloud DX has no control. Cloud DX has no assurance that the open source components do not infringe on the intellectual property rights of others. Cloud DX could be exposed to infringement claims and liability in connection with the use of these open source software components, and Cloud DX may be forced to replace these components with internally developed software or software obtained from another supplier, which may increase its expenses. Cloud DX has conducted no independent investigation to determine whether the sources of the open source software have the rights necessary to permit Cloud DX to use this software free of claims of infringement by third parties. The developer of open source software may be under no obligation to maintain or update that software, and Cloud DX may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to Cloud DX's services. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modification, are also made available under the same terms and conditions. As a result, any modifications Cloud DX makes to such software may be made available to all downstream users of the software, including its competitors. Open source software licenses may require Cloud DX to make source code for the derivative works available to the public. In the event that Cloud DX inadvertently uses open source software without the correct license form, or a copyright holder of any open source software were to successfully establish in court that Cloud DX had not complied with the terms of a license for a particular work, Cloud DX could be required to release the source code of that work to the public. Cloud DX could also incur costs associated with litigation or other regulatory penalties as a result.

Any of the above circumstances or events may harm Cloud DX's reputation, cause customers to terminate their agreements with Cloud DX, impair Cloud DX's ability to obtain contract renewals from existing customers, impair Cloud DX's ability to grow its customer base, and otherwise harm Cloud DX's business, results of operations and financial conditions.

Intellectual Property

Cloud DX's commercial success depends to a significant degree upon its ability to develop new or improved technologies, instruments and products, and to obtain patents, where appropriate, or other intellectual property rights or statutory protection for these technologies and products in Canada and the United States. Despite devoting resources to the research and development of proprietary technology, Cloud DX may not be able to develop new technology that is patentable or protectable. The ownership and protection of trademarks, patents, trade secrets and intellectual property rights are significant aspects of the Company's future success. Unauthorized parties may attempt to replicate or otherwise obtain and use the Company's products and technology. Policing the unauthorized use of the Company's current or future trademarks, patents, trade secrets or intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as the Company may be unable to effectively monitor and evaluate its competitors products and the processes used to develop such products. In addition, in any infringement proceeding, some or all of the trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the business, financial condition and results of operations of the Company.

In addition, other parties may claim that the Company's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the Company may need to obtain licenses from third parties who allege that the Company has infringed on their lawful rights. However, such licenses may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favorable to it, or at all, licenses or other rights with respect to intellectual property that it does not own.

Cybersecurity Risks

Increasingly, companies are subject to a wide variety of attacks on their networks and systems on an ongoing basis. In addition to traditional computer "hackers", malicious code (such as viruses and worms), employee theft or misuse, and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in cybersecurity attacks (including advanced persistent threat intrusions). Despite significant efforts to create security barriers to such threats, it is virtually impossible for Cloud DX to entirely mitigate these risks. The security measures Cloud DX has integrated into its internal network and platform, which are designed to detect unauthorized activity and prevent or minimize security breaches, may not function as expected or may not be sufficient to protect its internal networks and platform against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently and generally are not recognized until launched against a target. As a result, Cloud DX may be unable to anticipate these

techniques or implement adequate preventative measures to prevent an electronic intrusion into its networks.

If a breach of customer data security were to occur, as a result of third-party action, employee error, malfeasance or others, and the confidentiality, integrity or availability of the customers' data was disrupted, Cloud DX could incur significant liability to its customers and to individuals or business whose information was being stored by its customers, and its products may be perceived as less desirable, which could negatively affect Cloud DX's business and damage its reputation. Security breaches impacting Cloud DX's products could result in a risk of loss or unauthorized disclosure of customers' information, which, in turn, could lead to litigation, governmental audits and investigations, and possible liability. In addition, a network or security breach could damage Cloud DX's relationships with its existing customers, resulting in the loss of customers, and have a negative impact on its ability to attract and retain new customers.

These breaches, or any perceived breach, of Cloud DX's network, its customers' networks, or other networks, whether or not any such breach is due to a vulnerability in Cloud DX's products, may also undermine confidence in its products and result in damage to its reputation, negative publicity, loss of customers and sales, increased costs to remedy any problem, and costly litigation. Third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information, or otherwise compromise the security of Cloud DX's internal networks, electronic systems and/or physical facilities in order to gain access to its data or its customers' data, which could result in significant legal and financial exposure, loss of confidence in the security of its products, interruptions or malfunctions in its operations, and, ultimately, harm to its future business prospects and revenue. Cloud DX may be required to expend significant capital and financial resources to protect against such threats or to alleviate problems caused by breaches in security.

Unknown Defects and Impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Company to such transaction, which may have a Material Adverse Effect on the Company. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Company enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Company. Any impairment charges on the Company's carrying value of business arrangements could have a Material Adverse Effect on the Company.

Conflicts of Interest

Certain of Cloud DX's directors and/or officers may also serve as directors and/or officers of other companies and consequently there exists the possibility for such directors and officers to be in a position of conflict requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the CBCA and any decisions made any of such directors and officers involving Cloud DX are subject to the duties and obligations to deal fairly and in good faith with a view to the best interests of Cloud DX.

Reliance on Strategic Partnerships

To grow its business, Cloud DX anticipates that it will continue to depend on relationships with third parties, such as information technology vendors, research and channel partners. Identifying partners, and

negotiating and documenting relationships with them, requires significant time and resources. Cloud DX's competitors may be effective in providing incentives to third parties to favour their products or services over Cloud DX's. In addition, acquisitions of Cloud DX's partners by its competitors could result in a decrease in the number of its current and potential customers, as its partners may no longer facilitate the adoption of its applications by potential customers. If Cloud DX is unsuccessful in establishing and maintaining its relationships with third parties, or if these third parties are unable or unwilling to provide services to Cloud DX, Cloud DX's ability to compete in the marketplace or to grow its revenue could be impaired, and its results of operations may suffer. Even if Cloud DX is successful, it cannot be sure that these relationships will result in increased customer usage of its products or increased revenue.

Brand Development

The Company's reputation, brand and success of its products are critical to the Company's success, and if the Company is not able to continue developing its reputation, brand and products, its business, financial condition and results of operations could be adversely affected.

Building a strong reputation and brand as a reliable, affordable and efficient product and continuing to increase the strength of its products will be critical to the ability to attract and retain new customers. The successful development of such reputation, brand and products will depend on a number of factors, many of which are outside the Company's control. Negative perception of the Company or its platform may harm its reputation, brand and product development.

If the Company does not successfully develop its brand, reputation and products and successfully differentiate its offerings from competitive offerings, the business may not grow, the Company may not be able to compete effectively and may lose or fail to attract customers, any of which could adversely affect the business, financial condition and results of operations.

Reputational Risk

Reputational damage can result from the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views, whether true or not. Reputation loss may result in decreased customer confidence and an impediment to Cloud DX's overall ability to advance its products and services with customers, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Effects of COVID-19 on the Company

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It remains unclear how and to what extent the recent COVID-19 global outbreak will impact the Company's business and the global economy in general. The extent of such impact will depend on future developments which are highly uncertain, rapidly evolving and difficult to predict, including new information which may emerge concerning the severity of COVID-19 and additional actions which may be taken to contain COVID-19.

Authorities in Canada have implemented policies in response to the outbreak, but as of the date of this Filing Statement, we cannot predict the range of policies that will be pursued or the impact these will have on the Company's business and operations. As of the date of this Filing Statement, the COVID-19 pandemic has increased the cost of personal protective equipment used by healthcare professionals in Cloud DX's clinics; increased Cloud DX's labour costs as a result of complying with COVID-19-related government regulations and public health guidelines; but also generally increased the demand from its customers for its products and services.

Holding Company Risk

Cloud DX is a holding company and virtually all of its assets consist of the equity it holds in Cloud Canada and, indirectly, Cloud U.S. As a result, investors are subject to the risks attributable to the Company's subsidiaries and any and all future affiliates. Cloud DX does not have any significant assets and conducts substantially all of its business through its subsidiaries, which generate all or substantially all of the Company's revenues. The ability of the Company's subsidiaries to distribute funds to Cloud DX will depend on their operating results, tax considerations and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by these subsidiaries. In the event of a bankruptcy, liquidation or reorganization of one or more of the Company's subsidiaries or any other future subsidiary, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to Cloud DX.

General Economic Risks

The Company's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact the Company's sales and profitability. Unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of the Company's business. The Company may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Company fails to do so, it could materially harm the Company's business to the point of having to cease operations and could impair the value of the Company's securities.

Disruption due to Acts of God

Disruptions in the activities of Cloud DX may be caused by natural disasters, effects of climate change and man-made activities, pandemics, trade disputes and disruptions, war, terrorism, and any other forms of economic, health, or political disruptions. Cloud DX's financial conditions are reliant on continued operations, and in circumstances where continued operations are not possible, Cloud DX is likely to experience a decline in its revenue, and may suffer additional disruptions in the form of lack of access to its workforce, customers, technology, or other assets. The extent of the impact on Cloud DX will vary with the extent of the disruption and cannot be adequately predicted in advance.

Risks Related to the Common Shares

Market for Common Shares

There can be no assurance that an active trading market for Common Shares will develop or, if developed, that any market will be sustained. Cloud DX cannot predict the prices at which the Common Shares will trade. Fluctuations in market price of the Common Shares could cause an investor to lose all or part of its investment. Factors that could cause fluctuations in the trading price of the shares include: (i)

announcements of new offerings, products, services or technologies; commercial relationships, acquisitions or other events by Cloud DX or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significantly volatility in the market price and trading volume of virtual healthcare companies; (iv) fluctuations in the trading volume of Common Shares or the size of Cloud DX's public float; (v) actual or anticipated changes or fluctuations in Cloud DX's results of operations; (vi) whether Cloud DX's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in regulatory developments in the Canada, United States of America and other jurisdictions; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases, sales of large blocks of Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on Cloud DX from any of the other risk cited herein.

No History of Payment of Cash Dividends

Cloud DX has never declared or paid cash dividends on the Common Shares. Cloud DX intends to retain future earnings to finance the operation, development and expansion of the business. Cloud DX does not anticipate paying cash dividends on the Common Shares for the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on Cloud DX's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board considers relevant.

Public Company Risks

The market price for the Common Shares may be highly volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Cloud DX control, including, but not limited to: (i) actual or anticipated fluctuations in Cloud DX's operating results; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the industry in which Cloud DX operates; (iv) addition or departure of Cloud DX's executive officers and other key personnel; (v) sales or anticipated sales of additional Common Shares; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Cloud DX or its competitors; (vii) announcements of technological innovations, patents or new commercial products by Cloud DX or its competitors; (viii) regulatory changes affecting Cloud DX's industry generally and its business and operations; (ix) news reports relating to trends, concerns, technological or competitive developments and other related issues in Cloud DX's industry or target markets; and (x) changes in global financial markets, global economies and general market conditions.

The Common Shares currently have no history, however other sector public companies have been subject to significant price and volume fluctuations historically and may continue to be subject to significant price and volume fluctuations in the future. Significant market price and volume fluctuations can affect the market prices of equity securities of companies and have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if Cloud DX's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that fluctuations in share price and volume will not occur. If increased levels of volatility and market turmoil persist, Cloud DX's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

As a reporting issuer, the Company, and its business activities, are subject to the reporting requirements of applicable securities legislation, listing requirements and other applicable securities rules and

regulations. Compliance with those rules and regulations increases the Company's legal and financial costs as compared to Cloud DX's historical activities making some activities more difficult, time consuming or costly and increasing demand on its systems and resources.

Forecasting

Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Cloud DX's estimates and forecasts relating to the size and expected growth of its target market, market demand and adoption, capacity to address this demand, and pricing may prove to be inaccurate. Cloud DX must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of Cloud DX.

DIVIDENDS AND DISTRIBUTIONS

Cloud DX has not declared nor paid any cash dividends on any of its issued equity securities since its inception. Other than requirements imposed under applicable corporate law, there are no restrictions on Cloud DX's ability to pay dividends under Cloud DX's constating documents. Cloud DX has no present intention of paying dividends on the Common Shares, as it anticipates that all available funds will be invested to finance the growth of its business.

DESCRIPTION OF CAPITAL STRUCTURE

Cloud DX's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series.

As of the date of this AIF, there are 72,094,396 Common Shares issued and outstanding as fully paid and non-assessable and nil preferred shares. In addition, 5,290,706 Common Shares are reserved for issuance under the Company's stock option plan, and 6,885,176 Common Shares are reserved for issuance under common share purchase warrants ("**Warrants**") issued in connection with the Qualifying Transaction.

Common Shares

Holders of the Common Shares are entitled to: (i) receive notice of and to vote at every meeting of shareholders of Cloud DX and shall have one vote thereat for each such Common Shares so held; (ii) receive such dividend as the directors may from time to time, by resolution, declare on the Common Shares, subject to the rights, privileges, restrictions and conditions attached to the preferred shares of Cloud DX; and (iii) subject to the rights, privileges, restrictions and conditions attached to the preferred shares of Cloud DX, in the event of liquidation, dissolution or winding up of Cloud DX or upon any distribution of the assets of Cloud DX (other than by way of dividend out of monies properly applicable to the payment of dividends) to share pro rata.

Preferred Shares

The preferred shares may be issued in one or more series, and the directors of Cloud DX are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The preferred shares are entitled to preference over

the Common Shares with respect to the payment of dividends, if any, and in the distribution of assets in the event of liquidation, dissolution or winding up of Cloud DX.

Warrants

The following table sets forth all Warrants of Cloud DX that are outstanding as of the date of this AIF. The Warrants:

Number of Warrants	Exercise Price (CAD\$)	Expiry Date
6,095,000 ⁽¹⁾	\$0.65	April 11, 2023
752,200 ⁽²⁾	\$0.50	April 11, 2023
2,350 ⁽³⁾	\$0.50	November 11, 2022
35,626 ⁽³⁾	\$0.50	October 12, 2022

Notes:

- (1) Issued to former holders of Subscription Receipts pursuant to the Concurrent Financing, and subject to the terms and conditions of the Warrant Indenture, available on the Company's SEDAR profile.
- (2) Broker warrants issued to the Agents in connection with the Concurrent Financing.
- (3) Finder warrants issued as replacement warrants to a holder of warrants of Cloud U.S., issued connection with the Note Private Placement.

Options

Prior to the Qualifying Transaction, the Company had a CPC stock option plan. At the meeting of the Company's shareholders held on March 22, 2021, the Company's shareholders approved the adoption of a new stock option plan (the "**Option Plan**") in connection with the Qualifying Transaction. The material terms of the Option Plan are set forth below.

Stock Option Plan

The Option Plan provides that the board may from time to time, in its discretion, and in accordance with the requirements of the TSXV, grant to directors, officers, employees and consultants of the Company, non-transferable Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance: (a) to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares; and (b) to all consultants will not exceed 2% of the issued and outstanding Common Shares.

Subject to any requirements of the TSXV, the board of the Company shall be able to fix the duration of the Options at the time of grant, provided that in no circumstances shall the duration of such Options be longer than 10 years. Options must be exercised within a reasonable period following the cessation of the optionee's position with the Company, provided that if the cessation was by reason of death, the Options may be exercised within a maximum period of one year after such death, subject to the expiry date of such Options. Subject to the provisions of the Option Plan and the expiry date of the Options, Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting relationship was by reason of death, the option may be exercised as described above.

The following table sets forth all outstanding Options of the Company as of the date of this AIF:

Number of Options	Exercise Price (CAD\$)	Expiry Date
4,604,963 ⁽¹⁾	\$0.65	April 12, 2026
311,701 ⁽²⁾	\$0.48123	August 21, 2021
374,042 ⁽³⁾	\$0.48123	April 15, 2022

Notes:

- (1) Issued pursuant to the Company's share option plan, as further described above.
(2) Issued to certain brokers in connection with Roosevelt's initial public offering.
(3) Issued by Roosevelt prior to completion of the Qualifying Transaction.

MARKET FOR SECURITIES

Market

On September 24, 2019, the Company's Common Shares were halted by the TSXV pending completion of a previous Qualifying Transaction announced by Roosevelt. The Common Shares remained halted until April 15, 2021, when they began trading on the TSXV under the trading symbol CDX.

Trading Price and Volume

The table below summarizes the price ranges and trading volume of Common Shares on the TSXV for each of the months stated post Qualifying Transaction:

Month	Price Range (CAD\$)		Volume
	High	Low	
April 15 – April 30	\$0.80	\$0.47	3,831,670
May 1 – 13	\$0.50	\$0.32	1,305,685

Prior Sales

The following table summarizes details of each class of securities that is outstanding but not listed or quoted on a marketplace issued by the Company during the year ended December 31, 2020, and in 2021 up to the date of this AIF:

Date Issued	Type of Security Issued	Number of Securities	Issue Price Per Security	Reason for Issuance
April 14, 2021	Options	4,604,963	\$0.65	Employee and board compensation
April 12, 2021	Warrants	6,095,000	\$0.65	Warrants issuable in connection with the Concurrent Financing
April 12, 2021	Warrants	769,476	\$0.50	Issued as broker fees to certain brokers in connection with the Concurrent

				Financing and Note Private Placement
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ESCROWED SECURITIES

As at the date of this AIF, the following securities of the Company are subject to escrow or contractual restrictions on transfer:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of Class
Common Shares	24,165,060	33.52%
Warrants	100,000	1.64%

The Company has two escrow arrangements, one for the Roosevelt shares pre-Qualifying Transaction (the "**CPC Escrow Agreement**") and one for shares associated with Cloud DX (the "**QT Escrow Agreement**"). The CPC Escrow Agreement provides for the release of the initial 623,402 Common Shares placed in escrow as follows:

Percentage of Escrowed Shares Released from Escrow	Release Date
25%	Date of Final Exchange Bulletin
25%	6 months from Final Exchange Bulletin
25%	12 months from Final Exchange Bulletin
25%	18 months from Final Exchange Bulletin

The QT Escrow Agreement provides for a three year escrow release mechanism as set out in the table below. The securities subject to the QT Escrow Agreement may not be transferred within escrow without the approval of the TSXV for release or transfer other than in specified circumstances set out in the Surplus Security Escrow Agreement.

Percentage of Escrowed Shares Released from Escrow	Release Date
5%	Date of Final Exchange Bulletin
5%	6 months from Final Exchange Bulletin
10%	12 months from Final Exchange Bulletin
10%	18 months from Final Exchange Bulletin
15%	24 months from Final Exchange Bulletin

Percentage of Escrowed Shares Released from Escrow	Release Date
15%	30 months from Final Exchange Bulletin
40%	36 months from Final Exchange Bulletin

Further to the above, 71,610 Common Shares are subject to resale restrictions subject to the seed share sale restriction policies of the TSXV, to be released in equal proportions every three months until fully released on April 15, 2022.

In addition to the escrow described above, all of the directors and senior officers of Cloud DX have entered into lock-up agreements pursuant to which they will not, directly or indirectly, issue, transfer, offer, sell, pledge or enter into any other agreement to transfer the economic consequences of any Common Shares held by them for a period ending 12 months following the completion of the Qualifying Transaction. Furthermore, all former insiders of Roosevelt entered into lock-up agreements pursuant to which they will not, directly or indirectly, issue, transfer, offer, sell, pledge or enter into any other agreement to transfer the economic consequences of any Common Shares held by them for a period ending 120 days following the completion of the Qualifying Transaction.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out (a) the name and municipality of each person proposed as a director or an officer of the Company, (b) all positions and offices in the Company to be held by such person, (c) the principal occupation(s) during the preceding five years, (d) the period during which such person has served as a director or officer of the Company, and (e) the number and percentage of Company Shares to be beneficially owned by such person, directly or indirectly, or over which control or direction will be exercised, as of the date of the Arrangement.

Name and Municipality of Residence	Principal Occupations for the Previous Five Years	Positions and Offices with the Company	Director/ Officer Since	Number (and Percentage) of Company Shares Owned or Controlled ⁽³⁾
Robert Kaul <i>Brooklyn, New York</i>	Chief Executive Officer, President & Chair of Cloud DX, Inc.	Chief Executive Officer Director and Chair of the Board	September 15 th , 2014	7,026,580 (9.7%)
Sandeep (Sonny) Kohli <i>Oakville, Ontario</i>	Trafalgar Memorial Hospital – Physician	Chief Medical Officer Director	September 15 th , 2014	2,342,533 (3.2%)

Name and Municipality of Residence	Principal Occupations for the Previous Five Years	Positions and Offices with the Company	Director/ Officer Since	Number (and Percentage) of Company Shares Owned or Controlled⁽³⁾
Stephanie Bird <i>Toronto, Ontario</i>	Kognitiv Corporation - SVP Operations G Adventures - VP Finance	Chief Financial Officer and Corporate Secretary	August 24 th , 2020	99,985 (0.1%)
Anthony Kaul <i>Sidney, British Columbia</i>	Cloud DX, Inc. - Chief Operating Officer Cloud Diagnostics Canada ULC – Chief Operating Officer	Chief Operating Officer	September 15 th , 2014	4,592,673 (6.4%)
Michele Middlemore ⁽¹⁾ <i>Toronto, Ontario</i>	MC2 Business Advisors Inc. – Principal and Managing Director Marquee Health Group Limited – Chief Financial Officer MNP LLP – Partner and Senior Vice President Corporate Finance	Director	Officer from November 17, 2016 to December 31, 2020 Director April 12, 2021	93,838 (0.1%)
Brad Miller ⁽¹⁾⁽²⁾ <i>Vancouver, British Columbia</i>	AdvantecGlobal - President and Chief Executive Officer	Director	April 12, 2021	7,315,773 (10.15%)
Constantine Zachos ⁽²⁾ <i>Aurora, Ontario</i>	Physician - Toronto, ON	Director	April 12, 2021	1,662,722 (2.3%)
William Charnetski ⁽¹⁾⁽²⁾ <i>Toronto, Ontario</i>	PointClickCare – Executive Vice President, Health Solutions and Government Affairs Self Employed – Senior Health Innovation Consultant Government of Ontario – Chief Health Innovation Strategist	Director	April 12, 2021	327,120 (0.4%)

Notes:

- (1) Member of the Audit Committee.
(2) Member of the Compensation, Corporate Governance and Nominating Committee.
(3) Calculated on a non-diluted basis.

Term of Office

The term of office of each director of Cloud DX expires at the end of the annual meeting of Shareholders each year. The next annual meeting of Shareholders is expected to be held on or around June 2022.

Director and Officer Share Ownership

As of the date of the AIF, Cloud DX's directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 23,268,643 Common Shares, representing approximately 32.3% of the issued and outstanding Common Shares.

Cease Trade Orders or Bankruptcies

No proposed director or officer of the Company, and no securityholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company, has, within the last ten years prior to date of this Filing Statement, (a) been a director or an officer of any person or company that, while such person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under applicable securities law for a period of more than 30 consecutive days; or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

No proposed director, officer or shareholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

In the 10 years prior to the date hereof, none of the proposed directors or officers of the Company or any securityholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Conflicts of Interest

Cloud DX's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which Cloud DX may participate, the directors and officers of Cloud DX may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, Cloud DX will follow the provisions of the CBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of Cloud DX's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the CBCA. In accordance with the laws of Canada, the directors and officers of Cloud DX are required to act honestly, in good faith, and the best interest of Cloud DX.

PROMOTERS

Robert Kaul, Anthony Kaul and Sandeep Kohli may be considered to be Promoters of the Company in that they took the initiative in founding and organizing Cloud DX. Robert Kaul, Anthony Kaul and Sandeep Kohli are expected to hold directly or indirectly in the aggregate 13,912,487 Company Shares representing 19.19% of the Company Shares issued and outstanding on a non-diluted basis.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings or regulatory actions to which Cloud DX is or was a party to or of which any of its property is or was the subject of during the year ended December 31, 2020, or in the subsequent months to the date of this AIF and Cloud DX is not aware of any such proceedings that are pending, threatened or contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this AIF and in the audited consolidated financial statements of Cloud DX for the year ended December 31, 2020, none of the directors or executive officers of Cloud DX, or any Shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of Cloud DX's outstanding Common Shares, or any known associates or affiliates of such persons, had any material interests, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Cloud DX.

TRANSFER AGENT AND REGISTRARS

Odyssey Trust Company, at its office in Toronto, Ontario, is the transfer agent and registrar for the Common Shares and the warrant agent and registrar for the Warrants.

MATERIAL CONTRACTS

With the exception of the contracts associated with the Qualifying Transaction and Concurrent Financing, there are no material contracts, other than those contracts entered into in the ordinary course of business, which have been entered into within the last financial year, or which have been entered into before the beginning of the last financial year that are still in effect, and which are required to be filed with Canadian securities regulatory authorities in accordance with section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

INTERESTS OF EXPERTS

Names of Experts

Cloud DX's auditors are MNP LLP (the "**Auditor**"), who have prepared an independent auditor's report dated April 12, 2021, in respect of Cloud DX's audited consolidated annual financial statements for the two most recent fiscal years ended December 31, 2020 and December 31, 2019. The Auditor has advised that they are independent with respect to Cloud DX within the meaning of the CPABC Code of Professional Conduct.

Interests of Experts

To the knowledge of management of Cloud DX, none of the persons above held, at the time of or after such person prepared the statement, report or valuation, any registered or beneficial interests, direct or indirect, in any securities or other property of Cloud DX or of one of its associates or affiliates or is or is expected to

be elected, appointed or employed as a director, officer or employee of Cloud DX or of any associate or affiliate of Cloud DX.

AUDIT COMMITTEE

Cloud DX's Audit Committee has various responsibilities as set forth in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) made under securities legislation, concerning constitution of its audit committee and its relationship with its independent auditor and among such responsibilities being a requirement that the Audit Committee establish a written charter that sets out its responsibilities.

Audit Committee Charter

The Audit Committee is a committee of the Board. The Audit Committee charter (the “**Audit Committee Charter**”) attached to this AIF as Schedule "A" sets out the mandate and responsibilities of the Audit Committee.

Composition of the Audit Committee

The Audit Committee shall consist of a minimum of three directors of Cloud DX, including the Chair of the Audit Committee, the majority of whom shall be “independent” directors as such term is defined in NI 52-110. All Audit Committee members shall, to the satisfaction of the Board, be “financially literate” as such term is defined in NI 52-110.

As of the date of this AIF, Cloud DX's Audit Committee is composed of William Charnetski, Brad Miller and Michele Middlemore. All current members of the Audit Committee are independent, other than Michele Middlemore by reason of the fact that she served as Chief Financial Officer of Cloud DX prior to August 24, 2020. All current members of the Audit Committee are financially literate.

Relevant Education and Experience

Each member of the Audit Committee has had extensive experience reviewing financial statements. Each member of the Audit Committee has an understanding of Cloud DX's business and an appreciation for the relevant accounting principles for that business. In particular, Cloud DX believes that each of the members of the Audit Committee possesses: (a) an understanding of the accounting principles used by Cloud DX to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Cloud DX's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting. A brief summary of each member's relevant education and experience is provided below:

Michele Middlemore

Ms. Middlemore is founder and Managing Director of MC2 Business Advisors Inc. and brings over 25 years of domestic and international corporate finance experience, having advised public and private companies in a variety of industries. She was previously a partner in MNP LLP in Toronto, an advisor with PWC LLP in Toronto and in London, UK, Vice President of the board of directors of Hospice Toronto and a Sessional

Lecturer at the University of Toronto, Rotman School of Management. Ms. Middlemore obtained an Honours Bachelor of Commerce degree from the University of Windsor and holds the designations of Chartered Professional Accountant, Chartered Financial Analyst and Chartered Business Valuator. She is also a member of the Institute of Corporate Directors.

Brad Miller

Mr. Miller graduated from BCIT with an honours diploma in Mechanical Technology in 1986. At the age of 25, he purchased his first manufacturing business, Van Ingen (now Advanced Bending Technologies). He later went on to purchase IMB Industries ("IMB"), which he built into a globally successful exporter with subsidiaries in five countries, with over \$100 million in revenue and 900 employees. After selling IMB in 2009, Mr. Miller continued to invest in manufacturing space in Canada and the United States and currently owns seven companies under the AdvanTec Global banner specialized in marine and industrial manufacturing with a focus on clean tech manufacturing. Additionally, Mr. Miller is a significant investor in several tech start-ups in the food processing and medical device sectors. He is also active as a volunteer director on the boards of two foundations, three not for profits and one NGO with a focus on education and health in Canada and Uganda.

William Charnetski

Mr. Charnetski is the EVP, Health System Solutions and Government Affairs for PointClickCare, a Canadian healthcare technology company. Prior to joining PointClickCare Mr. Charnetski served in the Ontario Provincial Government from 2015 to 2018 as Chief Health Innovation Strategist. He served on the Board of Waterfront Toronto from 2004 to 2011, and was Chair of that Board's Communication and Marketing Committee from 2007 to 2011. Mr. Charnetski was an attorney at Torys LLP from 1997-2004 and was a Partner at the firm from 1999 to 2004 where he practiced mergers and acquisitions, corporate finance, securities law, and was Head of the Privacy Law Group.

Reliance on Certain Exemptions

At no time since the commencement of Cloud DX's most recently completed financial year has Cloud DX relied on the exemptions in section 2.4 (*De Minimis Non-audit Services*), section 3.2 (*Initial Public Offerings*), section 3.4 (*Events Outside Control of Member*), section 3.5 (*Death, Disability or Resignation of Audit Committee Member*), or Part 8 (*Exemptions*) of NI 52-110.

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of Cloud DX's most recently completed financial year has Cloud DX relied on the exemption in subsection 3.3(2) (*Controlled Companies*) or section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*) of NI 52-110.

Reliance on Section 3.8

At no time since the commencement of Cloud DX's most recently completed financial year has Cloud DX relied on section 3.8 (*Acquisition of Financial Literacy*) of NI 52-110.

Exemption

Cloud DX is a “venture issuer” as defined under NI 52-110 and, as such, is relying on the exemption in section 6.1 (*Venture Issuers*) of NI 52-110 from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) thereof.

Audit Committee Oversight

At no time since the commencement of Cloud DX’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee will be adopting with the approval of its current draft charter specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees paid by Cloud DX to its Auditor in the financial years ended December 31, 2020 and December 31, 2019 were as follows:

Financial Period Ending	Audit Fees (CAD\$)⁽¹⁾	Audit Related Fees (CAD\$)⁽²⁾	Tax Fees (CAD\$)⁽³⁾	All Other Fees (CAD\$)
December 31, 2019	12,000	Nil	Nil	Nil
December 31, 2020	11,800	Nil	Nil	Nil

Notes:

- (1) “Audit Fees” include, where applicable, fees necessary to perform the annual audit and the quarterly reviews of Cloud DX’s consolidated financial statements. Audit Fees include fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include, where applicable, services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include, where applicable, fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include, where applicable, all other non-audit services.

ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of Cloud DX’s securities, and securities authorized for issuance under equity compensation plans is contained in Cloud DX’s filing statement dated March 31, 2021, a copy of which was filed under Cloud DX’s SEDAR profile on April 5, 2021, at www.sedar.com. Additional financial information relating to Cloud DX is provided in Cloud DX’s audited consolidated financial statements for Cloud DX’s financial years ended December 31, 2020 and December 31, 2019, and Management’s Discussion and Analysis for the year ended December 31, 2020. Copies of Cloud DX’s audited annual financial statements, most current interim

financial statements, Management's Discussion and Analysis, and a copy of this AIF, as well as additional information relating to Cloud DX may be found under Cloud DX's SEDAR profile at www.sedar.com.

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

Policy Statement

It is the policy of the Corporation to establish and maintain an Audit Committee (the “Committee”) to assist the directors (individually a “Director” and collectively the “Board”) of the Corporation in carrying out the Board’s oversight responsibility for the accounting, internal controls, financial reporting, audits of financial statements and risk management processes of the Corporation.

The Committee shall be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including appropriate administrative support. Without limiting the generality of the foregoing, the Corporation shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of: compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Corporation; compensation to any advisers engaged by the Committee under section 4(c)(iii) of this charter; and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

If determined appropriate by the Committee, it shall have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or other experts. The Committee shall have unrestricted access to the Corporation’s external auditors, is authorized to seek any information that it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

Composition of Committee

The Committee shall be established by a resolution of the Board. The Committee shall consist of a minimum of three (3) Directors. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Compensation, Nominating and Governance Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the chair of the Committee (the “Chair”).

A majority of the members of the Committee shall be Directors who are independent within the meaning of National Instrument 52-110 – Audit Committees (“NI 52-110”), and the rules of any stock exchange or market on which the Corporation’s shares are listed or posted for trading (collectively, “Applicable Governance Rules”) and the chair of the Committee shall be independent. In this charter, the term “independent” includes the meanings given to similar terms

by Applicable Governance Rules, including the terms “non-executive”, “outside” and “unrelated” to the extent such terms are applicable under Applicable Governance Rules.

All members of the Committee must be able to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

Meetings of the Committee

The Committee shall convene a minimum of four times each year at such times and places as may be determined by the Chair of the Committee, and whenever a meeting is requested by the Board, a member of the Committee, the auditors or senior management of the Corporation. Scheduled meetings of the Committee shall correspond with the review of the quarterly and year-end financial statements and management discussion and analysis.

Notice of each meeting of the Committee shall be given to each member of the Committee.

Notice of a meeting of the Committee shall:

- (a) be in writing, which includes electronic communication facilities;
- (b) state the nature of the business to be transacted at the meeting in reasonable detail;
- (c) to the extent practicable, be accompanied by a copy of any documentation to be considered at the meeting; and
- (d) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.

A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of important matters by all members of the Committee.

A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons

participating in the meeting to communicate with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to chair the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.

The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this charter or by applicable laws.

The Committee may invite the external auditors to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.

The Committee (i) shall meet with the external auditors separately from individuals other than the Committee and (ii) may meet separately with management of the Corporation.

Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting. The Chair of the Committee shall circulate the minutes of the meetings of the Committee to all members of the Board.

Duties and Responsibilities of the Committee

The Committee, in its capacity as a committee of the Board, is directly responsible for recommending to the Board the public accounting firm to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (the “external auditor”) as well as the compensation of the external auditor. The Committee shall also be directly responsible for the oversight of the work of the external auditor (including resolution of disagreements between management and the auditor regarding financial reporting), and each such external auditor must report directly to the Committee.

The other primary duties and responsibilities of the Committee are to:

- (a) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
- (b) monitor the integrity of the Corporation’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- (c) monitor the independence, objectivity and performance of the external auditors, including, without limitation: (A) ensuring the Committee’s receipt from the external auditors at least annually of a formal written statement delineating all relationships between the external auditors and the Corporation; (B) actively engaging in dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and (C) taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditors;
- (d) evaluate the performance of the external auditors at least annually;

- (e) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
- (f) directly oversee the external audit process and results (in addition to items described in subsection 4(e) below);
- (g) provide an avenue of communication between the external auditors, management and the Board;
- (h) review annually with management of the Corporation the anti-fraud, anti-bribery, anti-corruption and risk assessment programs of the Corporation;
- (i) carry out a review designed to ensure that an effective “whistle blowing” procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and
- (j) oversee all pension and retirement benefit plans if and when established.

The Committee shall have the authority to:

- (k) inspect any and all of the books and records of the Corporation and its subsidiaries;
- (l) discuss with the management of the Corporation and its subsidiaries, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers appropriate;
- (m) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (n) set and pay the compensation for any advisors engaged by the Committee.

Relationship with the Board

The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as considered appropriate.

Relationship with External Auditors

The Committee shall:

- (o) review the audit plan with the external auditors and with management;
- (p) review with the external auditors the critical accounting policies and practices used by the Corporation, all alternative treatments of financial information within international financial reporting standards (“IFRS”) that the external auditors have discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;

- (q) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of material risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
- (r) review with management and with the external auditors material financial reporting issues arising during the most recent financial period and the resolution or proposed resolution of such issues;
- (s) review any problems experienced or concerns expressed by the external auditors in performing any audit, including any restrictions imposed by management or any material accounting issues on which there was a disagreement with management;
- (t) review with the external auditors any accounting adjustments that were noted or proposed by the independent auditor but that were “passed” (as immaterial or otherwise), any communications between the audit team and the external auditor’s national office respecting auditing or accounting issues presented by the engagement, any “management” or “internal control” letter or schedule of unadjusted differences issued, or proposed to be issued, by the external auditors to the Corporation, or any other material written communication provided by the external auditors to the Corporation’s management;
- (u) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
- (v) review and discuss with management and the external auditors any off-balance sheet transactions or structures and their effect on the Corporation’s financial results and operations, as well as the disclosure regarding such transactions and structures in the Corporation’s public filings;
- (w) review the audited annual financial statements (including management discussion and analysis) and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all material variances between comparative reporting periods;
- (x) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management’s response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls and procedures for financial reporting of the Corporation and subsequent follow-up to any identified weaknesses;
- (y) review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis before release to the public;
- (z) periodically meet separately with management and the external auditors;
- (aa) oversee the financial affairs of the Corporation and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditors or management;

- (bb) discuss with management and the external auditors any correspondence with regulatory or governmental agencies that raise material issues regarding the Corporation's financial statements or accounting policies;
- (cc) consider the recommendations of management in respect of the appointment and terms of engagement of the external auditor;
- (dd) pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by its external auditors, or the external auditors of subsidiaries of the Corporation, subject to the overriding principle that the external auditors not be permitted to be retained by the Corporation to perform internal audit outsourcing services or financial information systems services; provided that notwithstanding the above, the foregoing pre-approval of non-audit services may be delegated to a member of the Committee, with any decisions of the member with the delegated authority reporting to the Committee at the next scheduled meeting;
- (ee) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates thereof together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
- (ff) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the notice of change of auditors and documentation required pursuant to the then current legislation, rules, policies and instruments of applicable regulatory authorities and the planned steps for an orderly transition period; and
- (gg) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable laws, on a routine basis, whether or not there is to be a change of the external auditors.

In connection with the public disclosure of financial information and other public disclosure, the Committee shall:

- (hh) review the Corporation's financial statements, MD&A and annual and interim profit or loss press releases before the Corporation publicly discloses this information;
- (ii) review with management its evaluation of the Corporation's procedures and controls designed to assure that information required to be disclosed in the Corporation's periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by applicable securities laws for the filing of such reports ("Disclosure Controls"), and consider whether any changes are appropriate in light of management's evaluation of the effectiveness of such Disclosure Controls;
- (jj) establish a policy, which may include delegation to an appropriate member or members of management, for release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies;
- (kk) satisfy itself that adequate procedures are in place for the review of the Corporation's public information extracted from the Corporation's financial statements, other than the

public information reviewed in accordance with section 4(f)(i), and periodically assess the adequacy of those procedures;

- (II) to the extent deemed appropriate, review and supervise the preparation by management of:
 - (i) the annual information forms, management information circulars and annual and interim financial statements of the Corporation and any other information of the Corporation filed by the Corporation with the applicable securities regulators;
 - (ii) press releases of the Corporation containing financial information, earnings guidance, forward-looking statements, information about operations or any other material information;
 - (iii) correspondence broadly disseminated to shareholders of the Corporation; and
 - (iv) other relevant written and oral communications or presentations;
- (mm) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases, focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) any important areas where judgment must be exercised;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption, if any;
 - (v) compliance with accounting standards; and
 - (vi) compliance with stock exchange and legal requirements;

The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any

member of the Board, a shareholder of the Corporation, the external auditors or senior management.

The Committee shall periodically review with management the need for an internal audit function.

The Committee shall review the accounting and reporting of costs, liabilities and contingencies of the Corporation.

The Committee shall periodically discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

The Committee shall establish, monitor and review policies and procedures for internal accounting, financial control and management information.

The Committee shall periodically discuss with management the Corporation's process for performing its quarterly certifications pursuant to Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

The Committee shall review with the Chief Executive and Chief Financial Officer of the Corporation any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Corporation's ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditors, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.

The Committee shall establish and maintain procedures for:

- (nn) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (oo) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (pp) reviewing arrangements by which staff of the Corporation may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for proportionate and independent investigation and follow-up action.

At each meeting of the Committee, the Committee shall review any complaints or concerns of employees of the Corporation regarding accounting, internal accounting controls, or auditing matters relating to the Corporation and violations of the Code of Business Conduct and Ethics of the Corporation, the Anti-Bribery and Anti-Corruption Policy of the Corporation and of any applicable law, rule or regulation and shall follow the procedures established under the Whistleblower Policy regarding such concerns and complaints.

The Committee shall review all related party transactions and discuss the business rationale for these transactions and determine whether appropriate disclosures have been made. For this purpose, the term "related party transactions" includes any "material transaction" required to be

disclosed under Item 13 of Form 51-102F2 under National Instrument 51-102 - Continuous Disclosure Obligations.

The Committee shall review the Corporation's compliance and ethics programs, including consideration of legal and regulatory requirements, and shall review with management its periodic evaluation of the effectiveness of such programs.

The Committee shall, in consultation with the Compensation, Nominating and Governance Committee, review the Corporation's Code of Business Conduct and Ethics and programs that management has established to monitor compliance with such code, and periodically, after consultation with the Compensation, Nominating and Governance Committee, make recommendations to the Board regarding the Corporation's Code of Business Conduct and Ethics that the Committee shall deem appropriate.

The Committee shall periodically review the any Anti-Bribery and Anti-Corruption Policy of the Corporation if and when established, and make recommendations to the Board regarding the Corporation's Anti-Bribery and Anti-Corruption Policy that the Committee shall deem appropriate.

The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

The Committee shall receive any reports from legal counsel of evidence of a material violation of securities laws or breaches of fiduciary duty by the Corporation.

The Committee shall review with the Corporation's legal counsel, on no less than an annual basis, any legal matter that could have a material impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.

The Committee shall assess, on an annual basis, the adequacy of this charter and the performance of the Committee.

Approved by the Directors on
May 14, 2021