

**MEDBRIGHT AI INVESTMENTS INC.**

**BUSINESS ACQUISITION REPORT**

**FORM 51-102F4**

**Item 1 Identity of Company**

**1.1 Name and Address of Company**

MedBright AI Investments Inc. (the "Company")  
Suite 1000 – 409 Granville Street  
Vancouver, BC V6C 1T2

**1.2 Executive Officer**

An executive officer who is knowledgeable about this significant acquisition and this Report is as follows:

Jaime Gerber  
Chief Executive Officer  
Email: investors@medbright.ai  
Phone: (604) 602-0001

**Item 2 Details of Acquisition**

**2.1 Nature of Business Acquired**

On August 30, 2023, the Company completed the acquisition of an aggregate of 4,933,334 common shares ("HAG Shares") in the capital of Healthcare Accretion Group Inc. ("HAG") pursuant to the following definitive share exchange agreements (the "Definitive Agreements"):

- agreement with Michael Dalsin and HAG providing for the acquisition of 1,199,000 HAG Shares dated August 11, 2023, as amended August 29, 2023;
- agreement with Roger Greene providing for the acquisition of 700,000 HAG Shares dated August 11, 2023, as amended August 29, 2023;
- agreement with Jaime Gerber providing for the acquisition of 500,000 HAG Shares dated August 11, 2023, as amended August 29, 2023;
- agreement with Plant Based Industries, LLC providing for the acquisition of 1,150,000 HAG Shares dated August 23, 2023, as amended August 29, 2023;
- agreement with Yuliya Jade, Inc. and HAG providing for the acquisition of 100,000 HAG Shares dated August 11, 2023, as amended August 29, 2023;
- agreement with Jacqueline Kelly and HAG providing for the acquisition of 1,114,334 HAG Shares dated August 11, 2023, as amended August 29, 2023; and

- agreement with Aarun Kumar and HAG providing for the acquisition of 170,000 HAG Shares dated August 11, 2023, as amended August 29, 2023 (collectively, the “Transaction”).

Pursuant to the Definitive Agreements, the Company has a right of first refusal to acquire the remaining HAG Shares held by any of the above noted shareholders of HAG expiring on August 30, 2025.

HAG is a private company operating in the healthcare technology and artificial intelligence sector and was incorporated on February 23, 2017, under the laws of the province of British Columbia, Canada. Its principal business activity is to leverage its proprietary technology to provide tailor-made care solutions for patients, while optimizing profitability for healthcare providers. HAG has developed certain intellectual property around its proprietary method for selecting and evaluating patient data, and using this data optimization method to improve net margins for United States-based health care providers and facilities. The intellectual property, known as the Armada Matrix, is powered by artificial intelligence to extract and refine patient data quickly and automatically. The Armada Matrix is intended to optimize revenue for providers and improve patient experience simultaneously. which it carries out primarily out of its head office located at 326 Meridian Avenue, Miami Beach Florida, 33139.

## **2.2 Acquisition Date**

The Transaction was completed on August 30, 2023.

## **2.3 Consideration**

In consideration for the HAG Shares, the Company issued an aggregate of 37,000,005 common shares in the capital of the Company to the holders of HAG Shares.

## **2.4 Effect on Financial Position**

Upon completion of the Transaction, the Company became the registered and beneficial owner of a 49.33% interest in HAG. The business and operations of HAG continue to be carried out by management of HAG independent of the Company. Effective June 20, 2024, Dr. Jaime Gerber, a director and founder of HAG, was appointed as Chief Executive Officer of the Company. Each of the Company and HAG continue to operate as separate entities, however given the overlap in management, the entities are able effectively align overall business strategies in a complementary manner.

## **2.5 Prior Valuations**

To the knowledge of the Company, there has not been any valuation opinion obtained within the 12 months immediately preceding the closing of the Transaction by the Company or HAG required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company or any of its subsidiaries in connection with the Transaction.

**2.6 Parties to Transaction**

The Transaction was not with an informed person, associate or affiliate of the Company, as those terms are defined under applicable securities legislation.

**2.7 Date of Report**

August 8, 2024

**Item 3 Financial Statements and Other Information**

The following financial statements and other information required by Part 8 of NI 51-102 have been included in this Business Acquisition Report:

- The audited financial statements of HAG for the years ended June 30, 2022 and 2023 are attached hereto as "Schedule A".

The Company has obtained the consent of the auditors to include the audit report on the audited financial statements of HAG for the years ended June 30, 2022 and 2023 in this Report.

**Schedule A**

See attached.

# **Healthcare Accretion Group**

## **Financial Statements**

For the years ended  
June 30, 2022 and June 30, 2023  
(In Canadian Dollars)

To the Shareholders of Healthcare Accretion Group Inc.:

### Opinion

We have audited the financial statements of Healthcare Accretion Group Inc. (the "Company"), which comprise the statement of financial position as at June 30, 2023, and the statements of income and comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at , and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Vancouver, British Columbia

August 7, 2024

*MNP* **LLP**

Chartered Professional Accountants

## Healthcare Accretion Group

Statement of Financial Position  
(In Canadian Dollars)

	As at June 30, 2022 (unaudited)	As at June 30, 2023
<b>Assets</b>		
<b>Current</b>		
Cash	\$1	\$1
<b>Total Assets</b>	<b>\$1</b>	<b>\$1</b>
<b>Shareholders' Equity</b>		
<b>Shareholders' Equity</b>		
Share capital (note 3)	\$1	\$1
<b>Total Shareholders' Equity</b>	<b>\$1</b>	<b>\$1</b>

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

**Approved on behalf of the Board**

Michael Dalsin  
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Director



## Healthcare Accretion Group

Statement of Income and Comprehensive Income  
(In Canadian Dollars)

For the years ended  
June 30, 2022 (unaudited) and June 30, 2023

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### Revenue

Revenue	\$-
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### Expenses

Expenses	\$-
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### Income before income taxes

Provision for income taxes	\$-
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<b>Net income and comprehensive income for the year</b>	<b>\$-</b>
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### Earnings per share

Basic	\$-
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<b>Diluted</b>	<b>\$-</b>
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*The accompanying notes are an integral part of these financial statements.*

## Healthcare Accretion Group

Statement of Changes in Shareholders' Equity  
(In Canadian Dollars, Except for Number of Shares Outstanding)

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For the years ended  
June 30, 2022 (unaudited) and June 30, 2023

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### Share capital

	Number of Shares	Share Capital
Outstanding, beginning of year	10,000,000	\$1
Issuance of Common shares (note 3)	-	-
<b>Outstanding, end of year</b>	<b>10,000,000</b>	<b>\$1</b>

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

## Healthcare Accretion Group

Statement of Cash Flows  
(In Canadian Dollars)

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For the years ended  
June 30, 2022 (unaudited) and June 30, 2023

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### Operating activities

Net income for the year	\$-
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<b>Cash provided by operating activities</b>	<b>-</b>
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### Financing activities

Issuance of Common shares (note 3)	-
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<b>Cash provided by financing activities</b>	<b>-</b>
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<b>Net increase in cash during the year</b>	<b>-</b>
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Cash, beginning of the year	1
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<b>Cash, end of the year</b>	<b>\$1</b>
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*The accompanying notes are an integral part of these financial statements.*

## **Healthcare Accretion Group**

Notes to the Financial Statements

As at June 30, 2023 and for years ended June 30, 2022 to June 30, 2023

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### **1. CORPORATE INFORMATION**

Healthcare Accretion Group (the “HAG”) is a corporation that develops artificial intelligence tools to improve profitability in medical care delivery systems through enhanced efficiency and data analytics. HAG seeks to leverage artificial intelligence in two main areas of healthcare administration: (i) predictive analytics to improve healthcare revenue cycle management; and (ii) prediction of patient outcomes and associated costs.

HAG was incorporated on February 23, 2017 under the Business Corporations Act (British Columbia). The registered office of the HAG is located at 1133 Melville St Suite 2700, Vancouver, BC V6E 4E5, Canada and its head office is located at 1133 Melville St Suite 2700, Vancouver, BC V6E 4E5, Canada.

The financial statements were authorized for issuance by the Board of Directors of the Corporation on August 7, 2024.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted by the Corporation in the preparation of its financial statements are set out below.

#### **Basis of presentation**

These financial statements of the Corporation as at June 30, 2023 and 2022 and for the years ended June 30, 2023 and June 30, 2022 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements of the Corporation have been prepared on a historical cost basis. The Corporation’s functional and presentation currency is the Canadian dollar.

#### **Cash**

Cash is comprised of amounts held in escrow.

#### **Use of estimates**

The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

### **3. SHARE CAPITAL**

The Corporation is authorized to issue an unlimited number of Common shares (“Common Shares”).

On February 23, 2017, in connection with the organization of the Corporation, the Corporation issued 10,000,000 Common Shares in exchange for proceeds of \$1.