
DIAGNAMED HOLDINGS CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Diagnamed Holdings Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Diagnamed Holdings Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	March 31, 2023	September 30, 2022
ASSETS		
Current assets		
Cash	\$ 952,787	\$ 1,570,227
Accounts receivable	21,304	45,341
Total assets	\$ 974,091	\$ 1,615,568
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 374,358	\$ 369,512
Total liabilities	374,358	369,512
Shareholders' Equity		
Share capital (note 4)	3,326,915	3,174,401
Contributed surplus	161,648	150,888
Warrants and special warrants (note 6)	973,113	1,001,017
Deficit	(3,861,943)	(3,080,250)
Total equity	599,733	1,246,056
Total liabilities and shareholders' equity	\$ 974,091	\$ 1,615,568

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"Fabio Chianelli"

Director

"Elyssia Patterson"

Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Diagnamed Holdings Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2023	2022	2023	2022
Expenses				
Research (notes 9 and 10)	\$ 155,806	\$ 145,489	\$ 309,388	\$ 218,942
Office and general	19,090	6,762	20,021	7,005
Consulting fees (note 9)	171,479	45,000	305,978	85,000
Professional fees (note 9(a)(i))	66,881	55,224	109,947	97,307
Stock-based compensation (notes 5 and 9)	818	73,856	10,760	73,856
License fee	-	-	-	16,820
Foreign exchange (gain)	(15,044)	149	(22,715)	-
Shareholder information	33,575	-	48,314	-
Net loss and comprehensive loss for the period	\$ (432,605)	\$ (326,480)	\$ (781,693)	\$ (498,930)
Basic and diluted net loss for the period (note 7)	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	77,132,143	76,194,441	76,683,103	75,893,997

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Diagnamed Holdings Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Six months ended March 31,	2023	2022
Operating activities		
Net loss for the year/period	\$ (781,693)	\$ (498,930)
Adjustments for:		
Stock based compensation (note 5)	10,760	73,856
Shares issued for debt	103,360	-
Non-cash working capital items:		
Accounts receivable	24,037	(34,019)
Accounts payable and accrued liabilities	4,846	46,572
Net cash used in operating activities	(638,690)	(412,521)
Financing activities		
Shares issued from exercise of warrants	21,250	-
Net cash provided by financing activities	21,250	-
Net change in cash	(617,440)	(412,521)
Cash, beginning of period	1,570,227	2,357,807
Cash, end of period	\$ 952,787	\$ 1,945,286

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Diagnamed Holdings Corp.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital		Warrants and special warrants	Contributed Surplus	Deficit	Total
	Number of shares	Amount				
Balance, September 30, 2021	75,600,085	\$ 3,112,201	\$ 1,063,217	\$ 12,135	\$ (1,947,816)	\$ 2,239,737
Share issuance on conversion of special warrants	622,000	62,200	(62,200)	-	-	-
Stock based compensation (note 5)	-	-	-	73,856	-	73,856
Net loss for the period	-	-	-	-	(498,930)	(498,930)
Balance, March 31, 2022	76,222,085	\$ 3,174,401	\$ 1,001,017	\$ 85,991	\$ (2,446,746)	\$ 1,814,663
Balance, September 30, 2022	76,222,085	\$ 3,174,401	\$ 1,001,017	\$ 150,888	\$ (3,080,250)	\$ 1,246,056
Share issued for debt settlement	1,745,455	103,360	-	-	-	103,360
Shares issued from exercise of warrants	425,100	49,154	(27,904)	-	-	21,250
Stock based compensation (note 5)	-	-	-	10,760	-	10,760
Net loss for the period	-	-	-	-	(781,693)	(781,693)
Balance, March 31, 2023	78,392,640	\$ 3,326,915	\$ 973,113	\$ 161,648	\$ (3,861,943)	\$ 599,733

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Diagnamed Holdings Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended March 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Diagnamed Inc. ("Diagnamed") was incorporated under the Business Corporations Act (Ontario) on October 5, 2020. The registered head office of the Company is 82 Richmond Street East, Toronto, ON. M5C 1P1, Canada.

Diagnamed is a generative AI healthcare solutions company focused on the development and commercialization of CERVAI™, a proprietary brain health AI platform and a suite of generative AI products for the healthcare market.

Diagnamed Holdings Corp. (formerly Wolf Acquisitions 2.0 Corp. ("Wolf" or "combined entity") was incorporated under the Business Corporations Act (British Columbia) on April 16, 2021.

On August 11, 2021, combined entity issued 73,250,085 common shares as consideration for acquisition of the 73,250,085 outstanding common shares in the capital of Diagnamed. The Acquisition was accounted for as a reverse takeover ("RTO") whereby Diagnamed was identified as the acquirer for accounting purposes and the resulting consolidated financial statements are presented as a continuance of Diagnamed. After the RTO, the combined entity of Diagnamed Holdings Corp. and Diagnamed is referred to also as "the Company" in these consolidated financial statements. The fiscal year end of the Company is September 30. On November 8, 2022, the Company's common shares were approved for listing on the Canadian Securities Exchange (the "CSE") and commenced trading under the trading symbol "DMED".

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the six months ended March 31, 2023, the Company reported a net loss of \$(781,693). The Company has cash balance of \$952,787, however the Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations or to obtain additional financing. There is no assurance that the outcome of these matters will be successful and, as a result, there are material uncertainties that may cast significant doubt regarding the going concern assumption.

These unaudited condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying unaudited condensed interim consolidated financial statements. Such adjustments could be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNT POLICIES

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full audited annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May 29, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the period ended September 30, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending September 30, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

Diagnamed Holdings Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended March 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNT POLICIES (continued)

Accounting Standards Issued but not yet Applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after October 1, 2022 or later periods.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

3. SPECIAL WARRANTS

On May 5, 2021, Diagnamed Holdings Corp. issued 622,000 special warrants which were then included as part of the consideration in the RTO for a value of \$62,200. Each special warrant entitles the holder thereof to automatically receive, without payment of additional consideration and without further action on the part of the holder, one common share of the Company. During the year ended September 30, 2022, these special warrants were converted to common shares of the Company.

4. SHARE CAPITAL

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

Common shares issued

	Number of Shares	Share Capital
Balance, September 30, 2021	75,600,085	\$ 3,112,201
Share issued on conversion of special warrants	622,000	62,200
Balance, March 31, 2022	76,222,085	\$ 3,174,401
Balance, September 30, 2022	76,222,085	\$ 3,174,401
Shares issued in settlement of debt	1,745,455	103,360
Shares issued from exercise of warrants	425,100	49,154
Balance, March 31, 2023	78,392,640	\$ 3,326,915

(i) On October 5, 2020 (date of incorporation), the Company issued 43,600,085 common shares at \$0.00001 per share for gross proceeds of \$436.

(ii) On March 5, 2021, the Company issued 2,750,000 common shares at \$0.10 per share for gross proceeds of \$275,000. In connection with the offering the Company incurred issuance costs of \$30,000.

(iii) On April 30, 2021, the Company issued 19,950,000 common shares at \$0.10 per share for gross proceeds of \$1,995,000. In connection with the offering the Company incurred issuance costs of \$14,000 and issued 240,000 broker warrants which are exercisable at \$0.10. The broker warrants were valued at \$12,544 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: relative share price - \$0.10; risk free interest rate – 0.45%; expected volatility – 100%; expected dividend yield - nil; expected life - 2 years.

Diagnamed Holdings Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended March 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

4. SHARE CAPITAL (Continued)

(iv) On June 18, 2021, the Company issued 6,950,000 common shares at \$0.10 per share for gross proceeds of \$695,000. In connection with the offering the Company incurred issuance costs of \$32,100.

(v) On January 4, 2022, the Board of Directors resolved to convert, effective as of January 4, 2022, and for no additional consideration and pursuant to the terms of the Special Warrants, all of 622,000 Special Warrants issued and outstanding into 622,000 common shares.

5. STOCK OPTIONS

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan"). Options may be granted for a maximum term of five years from the date of the grant. They are not transferable. Unless the Board determines otherwise, options shall be exercisable in whole or in part at any time during this period. Options expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

The Company issued stock options to acquire common shares as follows:

	Number of Stock options	Weighted Average Exercise Price (\$)
Balance, September 30, 2021	-	-
Issued (i)	2,000,000	0.10
Balance, March 31, 2022	2,000,000	0.10
Balance, September 30, 2022 and March 31, 2023	2,000,000	0.10

(i) On January 4, 2022, the Company granted stock options to directors, officers and advisors to purchase 2,000,000 common shares of the Company at an exercise price of \$0.10 for a period of 5 years following the date of grant. The options vest 25% every three months from the date of grant. The options were valued at \$149,104 using a Black-Scholes valuation model with the following assumptions: share price of \$0.10 per common shares, expected dividend yield of 0%, expected volatility of 100%, risk-free rate of 1.39%, and expected life of 5 years. During the three months ended December 31, 2022, the Company recorded stock based compensation expense of \$10,760 (three months ended December 31, 2021 - \$nil) related to this grant of stock options.

The following table reflects the actual stock options issued and outstanding as of March 31, 2023:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
January 4, 2027	0.10	4.02	2,000,000	2,000,000
Total	0.10	4.02	2,000,000	2,000,000

Diagnamed Holdings Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended March 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

6. WARRANTS

The Company issued warrants to acquire common shares as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, upon incorporation (October 5, 2020)	-	-
Issued (note 4(b)(iii))	240,000	0.10
Reverse takeover transaction	15,250,000	0.05
Balance, September 30, 2021, March 31, 2022 and September 30, 2022	15,490,000	0.05
Exercised	(425,100)	0.05
Balance, March 31, 2023	15,064,900	0.05

The following table reflects the actual warrants issued and outstanding as of March 31, 2023:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Warrants Outstanding
June 18, 2023	0.10	0.22	240,000
May 10, 2023	0.05	0.11	14,824,900
		0.11	15,064,900

7. LOSS PER SHARE

For the three and six months ended March 31, 2023, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$432,605 and \$781,693, respectively (three and six months ended March 31, 2022 - 326,480 and \$498,930, respectively) and the weighted average number of common shares outstanding of 77,132,143 and 76,683,103, respectively (three and six months ended March 31, 2022 - 76,194,441 and 75,893,997, respectively).

Diluted loss per share did not include the effect of 2,000,000 stock options, and 15,064,900 warrants as they are anti-dilutive.

8. CAPITAL MANAGEMENT

The Company objectives when manages its capital is to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, special warrants, warrants, contributed surplus and, accumulated deficit, which at March 31, 2023 totaled equity of \$599,733.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Diagnamed Holdings Corp.
Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended March 31, 2023
(Expressed in Canadian Dollars)
(Unaudited)

9. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Chief Financial Officer ("CFO") of the Company is an employee of Marrelli Support Services Inc. ("MSSI"). During the three and six months ended March 31, 2023, the Company incurred professional fees of \$9,700 and \$44,853, respectively (three and six months ended March 31, 2022 - \$2,499 and \$4,904, respectively) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at March 31, 2023, MSSI was owed \$2,318 (September 30, 2022 - \$5,906) inclusive of HST with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

During the three and six months ended March 31, 2023, the Company incurred consulting fees of \$45,000 and \$90,000, respectively (three and six months ended March 31, 2022 - \$45,000 and \$85,000, respectively) to the Chief Executive Officer ("CEO") and companies controlled by the CEO. As at March 31, 2023, the CEO and companies controlled by the CEO were owed \$nil (September 30, 2022 - \$nil). On May 11, 2021, Wolf issued 5,000,000 warrants to the CEO of the Company. At the time of the foregoing issuance, the CEO was not an officer or director of Wolf and as such was acting at arm's length to Wolf. The CEO became the CEO of the Company as a result of the RTO.

Key management compensation

During the three and six months ended March 31, 2023, the Company recorded \$398 and \$10,091, respectively (three and six months ended March 31, 2022 - \$72,009) stock-based compensation for key management of the Company.

10. RESEARCH

BrainTremor™

DiagnaMed is investigating technological applications that monitor, collect and use individual information to detect tremors, and measuring cognitive and brain activity in patients with neurological disorders.

During the three and six months ended March 31, 2023, the Company incurred \$61,685 and \$144,326 research expenses, respectively (three and six months ended March 31, 2022 - \$46,981 and \$88,481, respectively) on BrainTremor™ project.

BrainAge™

DiagnaMed is investigating technological applications that monitor, collect and use individual information to detect the brain age. In August 2021, DiagnaMed commenced the development of its brain detection software platform, BrainAge™.

During the three and six months ended March 31, 2023, the Company incurred \$94,121 and \$165,062 research expenses, respectively (three and six months ended March 31, 2022 - \$98,508 and \$130,461, respectively) on BrainAge™ project.

11. COMMITMENTS

On June 24, 2021, the Company has entered into a licensing arrangement with the Drexel University relating to the BrainAge™ project, whereby US\$2,500 will be paid each year and certain milestone payments and royalties are payable upon the achievement of certain events. The Company will record these amounts as the events occur.

On December 8, 2021, the Company entered into a licensing agreement with the University of Colorado relating to certain patents held by the University of Colorado for self-healable, recyclable, reconfigurable and wearable electronics devices. The Company is committed to pay to University of Colorado license fees of US\$10,000 on December 8, 2021 (the "Effective Date") and license maintenance fees as follows: US\$10,000 on the third anniversary of the Effective Date, US\$15,000 on the fourth anniversary of the Effective Date, US\$30,000 on the fifth anniversary of the Effective Date, US\$50,000 on the sixth anniversary of the Effective Date and \$US75,000 on the seventh and subsequent anniversaries of the Effective Date until the termination of the agreement.

On February 4, 2022, the Company signed a sponsored research agreement with the University of Colorado to sponsor a research project at the University relating to the subject of the license agreement signed on December 8, 2021. The term of the research agreement is from March 1, 2022 to February 28, 2023. The Company is committed to pay University of Colorado cost of the research project in the amount of US\$183,800, 50% of which is payable after the execution of the agreement and invoice from the University, with the remainder paid in equal monthly amounts.

On June 21, 2022, the Company entered into a licensing agreement with the KU Center for Technology Commercialization, Inc. ("KCTC"), a non-profit corporation of the University of Kansas, for the development and commercialization of intellectual property of a novel virtual reality and artificial intelligence neurodiagnostic system ("VR/AI Neuro") for the evaluation, diagnosis and monitoring of neurodegenerative diseases, such as Parkinson's disease. The Company paid to KCTC a one-time license fee of US\$6,000 and committed to pay license maintenance fees of US\$2,000 on each anniversary of the Effective Date.

On February 22, 2023, the Company announced it entered into a license agreement with the University of Miami ("UM") for the development and commercialization of intellectual property of a novel brain health platform for the evaluation, diagnosis and monitoring of brain health, such as Alzheimer's disease and related dementias, which will be incorporated with CERVAI™. The Company paid to UM a one-time license fee of US\$15,000 and committed to pay license maintenance fees of US\$10,000 on the third and each subsequent anniversary.