

# CLOUDMD SOFTWARE & SERVICES INC.

## C\$55 MILLION BOUGHT DEAL FINANCING

### TERMS OF OFFERING

*A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the applicable Canadian securities regulatory authorities in each of the provinces of Canada other than Quebec. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities. Copies of the preliminary short form prospectus may also be obtained from Canaccord Genuity Corp at [ecm@canaccordgenuity.com](mailto:ecm@canaccordgenuity.com). There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.*

<b>Issuer:</b>	CloudMD Software & Services Inc. ("the Company").
<b>Selling Securityholders</b>	Essam Hamza and Kanchan Thindal (the "Selling Securityholders")
<b>Offering:</b>	20,400,000 common shares of the Company ("Shares") (23,460,000 Shares assuming the Over-Allotment Option is exercised in full), 18,500,000 of which Shares will be issued from treasury (21,560,000 Shares assuming the Over-Allotment Option is exercised in full) (the "Treasury Offering") and 1,900,000 Shares will be offered on a secondary basis by the Selling Securityholders (the "Secondary Offering" and together with the Treasury Offering, the "Offering").
<b>Offering Price:</b>	C\$2.70 per Share.
<b>Amount:</b>	Approximately C\$55 million (C\$63.3 million if the Over-Allotment Option is exercised in full), comprised of C\$50 million from the Treasury Offering (C\$58.2 million if the Over-Allotment is exercised in full) and C\$5,130,000 from the Secondary Offering
<b>Over-Allotment Option:</b>	The Company has granted the Underwriter an option (the "Over-Allotment Option"), to purchase up to an additional 3,060,000 Shares at a price of C\$2.70 per Share, exercisable at any time, for a period of 30 days after and including the Closing Date.
<b>Use of Proceeds:</b>	The Company intends to use the net proceeds of the Offering for expansion, working capital and general corporate purposes.
<b>Form of Offering:</b>	Bought deal by way of a short-form prospectus.
<b>Selling Jurisdictions:</b>	All Provinces in Canada except Quebec, certain offshore jurisdictions (provided that placement in such offshore jurisdictions does not give rise to the filing of a prospectus or registration statement or to any continuous disclosure obligations), and in the United States on a private placement basis pursuant to applicable exemptions under the United States Securities Act of 1933, as amended.
<b>Eligibility:</b>	The Shares will be qualified investments under the Income Tax Act (Canada) for RRSPs, RESPs, RRIFs, DPSPs, RDSPs and TFSAs.
<b>Lock-up:</b>	The Company and each Selling Securityholder will enter into a 90-day lock-up agreement in connection with the Offering.

February 17, 2021

**Compensation:**

The Company will pay a cash fee equal to up to 7% of the aggregate gross proceeds of the Offering, and an aggregate number of compensation warrants (each, a "Compensation Warrant") equal to up to 7% of the aggregate number of Shares issued pursuant to the Offering. Each Compensation Warrant will be exercisable to acquire one common share of the Company at an exercise price of C\$2.70 per share for a period of 24 months from the Closing Date (as defined below), subject to adjustment in certain events.

**Closing Date:**

On or about March 9, 2021 (the "Closing Date").

**Lead Underwriters:**

Canaccord Genuity Corp., Beacon Securities Limited, and Echelon Wealth Partners Inc. to act as co-lead underwriters. Canaccord Genuity Corp., and Beacon Securities Limited to act as co-bookrunners.

**Syndicate**

Canaccord Genuity Corp. (32.5%)<sup>1,2</sup>  
Beacon Securities Limited (32.5%)<sup>1,2</sup>  
Echelon Wealth Partners Inc. (25%)<sup>2</sup>  
Laurentian Bank Securities Inc. (5%)  
Mackie Research Capital Corp. (5%)

1. Co-bookrunner
2. Co-lead underwriter