UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: March 31, 2023

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 000-56074

BIOTRICITY INC.

(Exact name of registrant as specified in its charter)

NEVADA	**30-0983531**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification)

275 Shoreline Drive, Suite 150
Redwood City, CA 94065

(Address of principal executive offices, including zip code)

(650) 832-1626

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	**Trading Symbol (s)**	**Name of each exchange on which registered**
Common Stock, Par Value $0.001	BTCY	Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act:

Title of Each Class	**Name of Each Exchange On Which Registered**
N/A	N/A

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such fi les). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller Reporting Company ☒
	Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes ☒ No ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $32,625,882.

The number of shares outstanding of each of the registrant's classes of common stock, as of June 29, 2023, was 51,047,865 (not including 1,466,718 Exchangeable Shares, directly exchangeable into an equivalent number of shares of common stock).

DOCUMENTS INCORPORATED BY REFERENCE

None.

BIOTRICITY INC.
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For the Fiscal Year Ended March 31, 2023

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PART I

ITEM 1. BUSINESS

Summary

Biotricity Inc. (the "Company", "Biotricity", "we", "us", "our") is a leading-edge medical technology company focused on biometric data monitoring and diagnostic solutions. We deliver innovative, remote monitoring solutions to the medical, healthcare, and consumer markets, with a focus on diagnostic and post-diagnostic solutions for lifestyle and chronic illnesses. We approach the diagnostic side of remote patient monitoring by applying innovation within existing business models where reimbursement is established. We believe this approach reduces the risk associated with traditional medical device development and accelerates the path to revenue. In post-diagnostic markets, we intend to apply medical grade biometrics to enable consumers to self-manage, thereby driving patient compliance and reducing healthcare costs. Our initial focus was on the diagnostic mobile cardiac outpatient monitoring (COM) market. Since then, we have expanded our ecosystem of cardiac technologies to include all accepted forms of cardiac diagnostic studies.

We developed and received FDA clearance on our Bioflux® ("Bioflux") technology, comprised of a monitoring device and software components, which we made available to the market under limited release on April 6, 2018, in order to establish and develop sales processes and assess market dynamics. The fiscal year ended March 30, 2020 marked the Company's first year of expanded commercialization efforts, focused on sales growth and expansion. In 2021, the Company announced the initial launch of Bioheart, a direct-to-consumer heart monitor that offers the same continuous heart monitoring technology used by physicians. In addition to developing and receiving regulatory approval or clearance of other technologies that enhance its ecosystem, in 2022, the Company announced the launch of its Biotres Cardiac Monitoring Device ("Biotres"), a three-lead device for ECG and arrhythmia monitoring intended for lower risk patients, a much broader addressable market segment. We have since expanded our sales efforts to 31 states, with intention to expand further and compete in the broader US market using an insourcing business model. Our technology has a large potential total addressable market, which includes hospitals, clinics and physicians' offices, as well as other Independent Diagnostic Testing Facilities ("IDTFs)". We believe our solution's insourcing model, which empowers physicians with state-of-the-art technology and charges technology service fees for its use, has the benefit of a reduced operating overhead for the Company, and enabling a more efficient market penetration and distribution strategy. The Company offers an established ecosystem of state-of-the-art technologies intended to monitor and diagnose cardiac arrhythmias and support cardiac disease management; its technology provides enhanced patient outcomes, with improved patient compliance, and a corresponding reduction of healthcare costs.

Our principal executive office is located at 203 Redwood Shores Pkwy Suite 600, Redwood City, California, and our telephone number is (800) 590-4155. Our website address is www.biotricity.com. The information on our website is not part of this Annual Report on Form 10-K.

History

Our company was incorporated on August 29, 2012 in the State of Nevada.

iMedical Innovations Inc. ("iMedical") was incorporated on July 3, 2014 under the Canada Business Corporations Act. On February 2, 2016, we completed the acquisition of iMedical and moved the operations of iMedical into Biotricity Inc. through a reverse take-over (the "Acquisition Transaction").

Description of Business

Company Overview

Biotricity Inc. ("Company", "Biotricity", "we", "us" or "our")

Biotricity Inc. (the "Company", "Biotricity", "we", "us", "our") is a medical technology company focused on biometric data monitoring and diagnostic solutions. Our aim is to deliver remote monitoring solutions to the medical, healthcare, and consumer markets, with a focus on diagnostic and post-diagnostic solutions for lifestyle and chronic illnesses. We approach the diagnostic side of remote patient monitoring by applying innovation within existing business models where reimbursement is established. To do this, we do the heavy lifting involved with developing proprietary technology that meets the regulatory standards of the U.S. Food and Drug Administration ("FDA"), to allow medical professionals to utilize our technology and gain reimbursement for their services through Medicare, Medicaid and private health insurers. In post-diagnostic markets, we apply medical grade biometrics to enable physicians to manage their patients and consumers to self-manage.

We build and deploy our technology in a technology-as-a-service model, focused on earning utilization-based recurring technology fee revenue. The Company's ability to grow this type of revenue is predicated on the size and quality of its sales force and their ability to penetrate the market and place devices with clinically focused, repeat users of its cardiac technology. The Company plans to grow its sales force to address new markets and achieve sales penetration in the markets currently served.

History and Recent Highlights

We developed our FDA-cleared Bioflux® ("Bioflux") technology, comprised of a monitoring device and software components, which we made available to the market under limited release on April 6, 2018, to assess, establish and develop sales processes and market dynamics. Full market release of the Bioflux device for commercialization occurred in April 2019. To commence commercialization, we ordered device inventory from our FDA-approved manufacturer and hired a small, captive sales force, with deep experience in cardiac technology sales; we expanded on our limited market release, which identified potential anchor clients who could be early adopters of our technology. By increasing our sales force and geographic footprint, we have grown continuously since launching have had sales in 31 U.S. states by December 31, 2022.

Following Bioflux, the Company developed several breakthrough technologies in 2021, including:

- Biotres, a unique ECG Holter solution that addresses the limitations of existing solutions in the Holter market, with built-in connectivity, ability to recharge, and 3 channels (instead of 1).
- Bioheart, a unique personal cardiac monitoring solution for consumers that addresses the limitations of existing solutions, designed with built-in connectivity, ability to recharge, and 3 channels
- Biocare, a unique cardiac disease management platform for chronic care management (CCM) and remote patient monitoring (RPM) to help physicians holistically manage their patients

On January 24, 2022 the Company announced that it has received the 510(k) FDA clearance of its Biotres patch solution, which is a novel product in the field of Holter monitoring. This three-lead technology can provide connected Holter monitoring that is designed to produce more accurate arrythmia detection than is typical of competing one-lead holter patch solutions. It is also a platform technology, with other developments and features that are currently unavailable in the marketplace with other clinical and consumer patch solutions.

The Company has also developed or is developing several other ancillary technologies, which will require application for further FDA clearances, which the Company anticipates applying for within the next twelve to eighteen months. Among these are:

- advanced ECG analysis software that can analyze and synthesize patient ECG monitoring data to identify the most important information for clinical intervention, while reducing the amount of human intervention necessary in the process;

- the Bioflux® 2.0, which is the next generation of our award winning Bioflux®

During 2021 and the early part of 2022, the Company also commercially launched its Bioheart technology, which is a cutting-edge consumer technology whose development was based on the Company's clinical technologies and leverages its clinical ecosystem, the Biosphere. In recognition of this market advancement and how innovative the product is, in November 2022, Bioheart received recognition as one of Time Magazine's Best Inventions of 2022.

In October 2022, the Company launched its Biocare Cardiac Disease Management Solution, after successfully piloting this technology in two facilities that provide cardiac care to over 60,000 patients. This technology and other consumer technologies and applications such as the Biokit and Biocare have been developed to allow the Company to use its strong cardiac footprint to expand into remote chronic care management solutions that are complementary and additive to its existing solutions. The technology puts actionable data into the hands of physicians to assist them in better managing their patients and making effective treatment decisions quickly.

Additionally, in September 2022, the Company was awarded a NIH Grant from the National Heart, Blood, and Lung Institute for AI-Enabled real-time monitoring, and predictive analytics for stroke due to chronic kidney failure. This is a significant achievement that broadens our technology platform's disease space demographic. The grant is focused on the expansion of Bioflux-AI for monitoring and prediction of stroke episodes in chronic kidney disease patients. The Company received $238,703 under this award in March 2023, used to defray research, development and other associated costs.

During the twelve months ended March 31, 2023, the Company continued to develop a telemedicine platform, with capabilities of real-time streaming of medical devices. The COVID-19 pandemic has highlighted the importance of telemedicine and remote patient monitoring technologies. Telemedicine offers patients the ability to communicate directly with their health care providers without the need to leave their home. The introduction of a telemedicine solution is intended to align with the Company's Bioflux product and facilitate remote visits and remote prescriptions for cardiac diagnostics. It will also serve as a means of establishing referral and other synergies across the network of doctors and patients that use the technologies we are building within the Biotricity ecosystem. The intention is to continue to provide improved care to patients that may otherwise elect not to go to medical facilities while providing economic benefits and costs savings to healthcare service providers and payers. The Company's goal is to position itself as an all-in-one cardiac diagnostic and disease management solution. The Company continues to grow its data set of billions of patient heartbeats, allowing it to further develop its predictive capabilities relative to cardiac conditions.

The Company identified the importance of recent developments in accelerating its path to profitability, including the launch of important new products identified, which have a ready market through cross-selling to existing large customer clinics, and large new distribution partnerships that allow the Company to sell into hospital networks.

Market Overview

Chronic diseases are the number one burden on the healthcare system, driving up costs year over year. Lifestyle related illnesses such as obesity and hypertension are the top contributing factors of chronic conditions including diabetes and heart disease. Government and healthcare organizations are focused on driving costs down by shifting to evidence-based healthcare where individuals, especially those suffering from chronic illnesses, engage in self-management. This has led to growth in the connected health market, which is projected to reach $150 billion by 2024 at a compound annual growth rate (CAGR) of 25%[1]. Remote patient monitoring (RPM), one of the key areas of focus for self-management and evidence-based practice, is projected to reach $96.67 billion by 2030 at a CAGR of 17.6%[2]. Today, 20% of large healthcare facilities in the US are already using remote monitoring with a projected 30 million US patients utilizing remote monitoring by 2024[3].

The number one cost to the healthcare system is cardiovascular disease, estimated to be responsible for 1 in every 6 healthcare dollars spent in the US[4]. Since cardiovascular disease is the number one cause of death worldwide, early detection, diagnosis, and management of chronic cardiac conditions are necessary to relieve the increasing burden on the healthcare infrastructure. Diagnostic tests such as ECGs are used to detect, diagnose and track certain types of cardiovascular conditions. We believe that the rise of lifestyle related illnesses associated with heart disease has created a need to develop cost-effective diagnostic solutions to fill a hole in the current ECG market. These solutions will not only deliver faster and earlier diagnoses but also build the foundation for disease management, supporting the transition from diagnosis to disease management.

The global ECG market is growing at a CAGR of 8.3%[5]. The factors driving this market include an aging population, an increase in chronic diseases related to lifestyle choices, improved technology in diagnostic ECG devices, and high growth rates of ECG device sales. As of 2022, the United States accounted for approximately 25% of the global ECG market and is comprised of three major segments: resting (non-stress) ECG systems, stress ECG systems, and holter monitoring systems.

In the US, COM tests are primarily conducted through outsourced IDTFs that are reimbursed at an estimated average rate of approximately $850 per diagnostic test, based on pricing information provided by the Centers for Medicare & Medicaid Services, a part of the U.S. Department of Health and Human Services, and weighted towards the largest markets of New York, California, Texas and Florida. Reimbursement rates can be lower in smaller markets, although the national average is $801. Further, we believe private insurers provide for similar or better reimbursement rates.

[1] https://market.us/report/connected-healthcare-market/
[2] https://www.researchandmarkets.com/reports/5264375/global-remote-patient-monitoring-market-by
[3] https://blog.prevounce.com/27-remote-patient-monitoring-statistics-every-practice-should-know
[4] https://www.alliedmarketresearch.com/electrocardiograph-ECG-market
5 https://www.alliedmarketresearch.com/electrocardiograph-ECG-market

Our initial device offerings intended to revolutionize the COM and Holter markets by providing convenient, cost-effective, integrated solutions, inclusive of both software and hardware for physician providers and their patients. Biotricity, however, has a broader strategic vision to offer an ecosystem of technologies that engage the patient-user and their medical practitioner(s) in sustained monitoring, diagnosis, communication and pro-active treatment and management of chronic care conditions. Our core solution is designed as a platform to encompass multiple segments of the remote monitoring market, and its future growth.

Market Opportunity

Cardiac Diagnostics

ECGs are a key diagnostic test utilized in the diagnosis of cardiovascular disease, the number one cause of death worldwide. The global ECG market is growing at a CAGR of 8.3%[6], and, assuming the U.S. continues to hold approximately 25% of the global market (based on 2022 statistics), approximately $1.8 billion would be attributed to the US ECG market1,2. In the US in 2016, statistics show that there were 121.5 million adults living with cardiovascular disease, whereas 28.2 million adults had been diagnosed with the disease. The increasing market size is attributed to an aging population and an influx in chronic diseases related to lifestyle choices.

The US ECG market is divided into three major product segments:

1. Event monitoring systems;

2. Stress ECG systems; and

3. Resting (non-stress) ECG systems.

Event monitoring systems are projected to grow the fastest due to a shift from in-hospital/clinic monitoring to outpatient monitoring. This shift is expected to help reduce health care costs by limiting the number of overnight hospital stays for patient monitoring. We believe that physicians prefer event monitoring systems over resting and stress ECG systems because they provide better insight to the patient's condition for diagnostic purposes.

The event monitoring market is divided into the Holter/Extended Holter, Event Loop and Mobile Cardiac Outpatient Monitoring (COM) product segments, of which Holter, and its variant Extended Holter, and Event Loop are the current market leaders. Among event monitoring systems, we believe that the preferred choice of physicians and cardiologists is COM, because of its ability to continuously analyze patient data and transmit, thereby speeding up diagnoses. COM devices have built-in arrhythmia analysis and regular communication , which allow physicians to prescribe the device for a longer period of time; thereby enabling prolonged data collection and delivering a more complete picture for diagnosis.

Typical Holter/Extended Holter and Event Loop solutions lack the ability to alert the patient or provider in case of an anomaly. Holters are typically used as a short-term solution, up to 3 days, whereas Event Loop is used for up to 30 days. Extended Holter, the long-term variant of Holter can be used for up to 21 days. It is the most recent of the cardiac monitoring options and was created for longer term holter recordings. Since Event Loop is also long term, reimbursement for Extended Holter and Event Loop are converging. Reimbursement for these is much lower compared to COM due to the nature of the solution, recording vs monitoring. With Holter and Event Loop monitoring, ECG data is not uploaded or transmitted regularly. Comparatively, if the patient were monitored through a COM device with regular ECG data transfer and cellular connectivity, then in the event of cardiac anomalies, the monitoring center could send communication to the patient's physician.

[6] https://www.alliedmarketresearch.com/electrocardiograph-ECG-market

Since COM requires an FDA-cleared device (meaning for our purposes that it can be used to review medical ECG data from ECG devices), FDA-cleared ECG reporting software, and remote monitoring capabilities, regulatory and development hurdles have resulted in relatively few companies being able to successfully develop an all-encompassing solution. We believe that there are currently only 5 COM solutions within the market. Some of these solutions are sold to the market through solutions providers that have not developed and do not manufacture their own device.

Of the COM systems currently available in the market, most are IDTFs who employ an outsourcing business model, focused on providing clinical services for which they can earn reimbursement; this means that they would typically not sell their devices to physicians, but offer their clinical services. Some COM providers choose to sell their solution by charging high prices for devices and upfront software costs, as well as a per cardiac study monitoring fee. Among these are solutions that are not scalable; some lack monitoring software, requiring a customer to acquire third party software and incur integration expenses. These would require an investment by the physician, to incur upfront costs that would take time to recoup before profits are realized.

The limited number of competitors makes this an attractive market for new entrants. However, entry into the market requires a hardware device coupled with complex algorithms, ECG software and access to a monitoring center. Two of the five COM players have done so by building their own monitoring infrastructure, developing their own ECG software and utilizing TZ Medical's COM device. However, this is capital intensive and we believe cost prohibitive for most hospitals and clinics. These barriers are in our opinion among the key reasons as to why Holter and Event Loop have maintained a significant portion of the US event monitoring market despite the increase in patient safety and improved outcomes with COM.

The Bioflux solution and business model attempts to address these complications with its complete, turn-key solution for providers to deliver cardiac diagnostics directly. Technologically, the Bioflux solution is superior as a one-piece solution as opposed to a two-piece and collects 3 channels of ECG compared with 2, resulting in better data and higher quality diagnoses. Combined with our insourced business model, providers can deliver better and faster care while also billing. This combination has lead to our continued growth and high customer retention rates.

Chronic Care and Remote Patient Monitoring

Chronic diseases are the number one healthcare expense and are continuing to grow as the population ages. Lifestyle related illnesses such as obesity, hypertension, cardiovascular diseases, and diabetes are the top contributing factors of chronic conditions. Government and healthcare organizations are focused on driving costs down by shifting to holistic management where individuals, especially those suffering from chronic illnesses, are supported outside of the clinic. This has led to growth in chronic care management market, which is projected to reach $8.7 billion in the US by 2027 at a compound annual growth rate (CAGR) of 18%[7].

Remote patient monitoring (RPM), one of the key areas of focus for disease-management and evidence-based practice, is projected to reach $96.67 billion by 2030 at a CAGR of 17.6%[8]. Today, 20% of large healthcare facilities in the US are already using remote monitoring with a projected 30 million US patients utilizing remote monitoring by 2024[9].

Similar to chronic care and RPM, lifestyle management is seeing increasing growth where stable patients are becoming more and more engaged in lifestyle management. The global wearable lifestyle market has already reached $61.3 billion with an expected CAGR of 14.6%[10]. The US portion of the wearable lifestyle market is $15.3 billion.

The primary driver of each of these markets are individuals diagnosed with or at risk-for chronic conditions. Cardiac diseases are the number one expense and the number one killer, making up the bulk of the individuals utilizing such solutions. Despite this, existing solutions are not tailored for cardiac patients but for diabetes, obesity, and hypertension as these conditions are supported by medical or personal devices that can track biometrics that support management. Up until now, there has been no solution available to support cardiac patients as technology was limited to manual short term heart rhythm collection or heart rate monitors.

Biotricity changed this with the creation of Bioheart and Biocare, which delivers the first cardiac tailored solution for disease management. The engine of this solution is the Bioheart, the first-of-its-kind continuous heart rhythm monitor that autonomously and continuously collect heart rhythm data with no limitation on duration, a necessity for cardiac issues. Just as diabetic patients have continuous glucose monitoring, individuals with cardiac issues now have continuous heart monitoring.

Combining our technological innovation with our business model delivers a solution that is not only industry leading technologically and clinically, but one that also supports providers to deliver better care while creating a new revenue stream. We believe this leap in innovation will help us compete with the more generic solutions as well as those limited by shorter duration data collection. The leap in innovation created by Bioheart was also recognized by Time Magazine, where they named Bioheart one of the Best Inventions of the World in 2022.

Market Strategy

Cardiac Diagnostics

Our cardiac diagnostics strategy is focused on the target addressable market of approximately 23,018 physician offices[11] (approximately 10% of all physician offices in the U.S.), 612 hospitals[12] (approximately 10% of all hospitals in the U.S.), and 300 IDTFs (an estimated 10% of all IDTFs in the U.S.). To do this, we invested in the hiring of top caliber sales professionals with a proven track record in cardiac technology and device sales, and strong business relationships with providers of cardiac medical services. To further expand our market reach, we have partnered with leading distributors and GPOs.

[7] https://www.precedenceresearch.com/us-complex-and-chronic-condition-management-market
[8] https://www.researchandmarkets.com/reports/5264375/global-remote-patient-monitoring-market-by
[9] https://blog.prevounce.com/27-remote-patient-monitoring-statistics-every-practice-should-know
[10] https://www.grandviewresearch.com/industry-analysis/wearable-technology-market
[11] https://en.wikipedia.org/wiki/Group_medical_practice_in_the_United_States
12 https://www.aha.org/statistics/fast-facts-us-hospitals

COM

The Bioflux solution is deployed into physicians' offices, clinics, hospitals, and IDTFs. For the prescribing physician, the COM diagnostic read is a reimbursable service from payers such as Medicare and insurance companies. In the United States, billing codes for an COM diagnostic read are available under the American Medical Association Current Procedural Terminal, with a current average reimbursement rate of $850 per read (a read is between 1 and 30 days long).

We believe that Bioflux's revenue model, which is a platform or technology *as a service* model (*PAAS* or *TAAS*), is a significant and disruptive departure from the pricing and reimbursement strategies of the existing competitors in the COM market, which apply an outsourced model to COM diagnostics, where the entire procedure and reimbursement is outsourced; the COM solutions provider takes over the clinical responsibilities and earns the reimbursement and pays the physician a small administrative stipend. Bioflux's technology, revenue and insourced business model entail differentiators that are expected to create barriers to entry for other competitors seeking to emulate our strategy.

We also believe the Bioflux solution is not only financially superior but also clinically superior. Existing COM solutions are two-piece solutions with 2 channel ECGs. Comparatively, Bioflux is a one-piece solution with 3 channels of ECG, delivering more and higher quality data with better patient compliance. This is a significant barrier to entry for existing and new competitors as they would need to develop an entirely new solution that encompasses multiple channels and integrated cellular connectivity to compete with the Bioflux.

Holter/Extended Holter

The Biotres solution is purpose-built for the holter and extended holter market and is deployed into physicians' offices, clinics, hospitals, and IDTFs. For the prescribing physician, the Holter/Extended Holter diagnostic read is a reimbursable service from payers such as Medicare and insurance companies. In the United States, billing codes for a Holter and Extended Holter diagnostics are available under the American Medical Association Current Procedural Terminal, with a current blended average reimbursement rate of $200 per test, where a test is between 1 and 21 days long.

We believe that Biotres' revenue model, which is a platform or technology *as a service* model (*PAAS* or *TAAS*), is a significant and disruptive departure from the pricing and reimbursement strategies of the existing competitors in the Holter market, which apply an outsourced model to Holter diagnostics, where the entire procedure and reimbursement is outsourced; the Holter solutions provider takes over the clinical responsibilities and earns the reimbursement and pays the physician a small administrative stipend. Biotres' technology, revenue and insourced business model entail differentiators that are expected to create barriers to entry for other competitors seeking to emulate our strategy.

Additionally, we believe the Biotres solution is not only financially superior but also clinically superior. Existing holter patch solutions are 1 channel devices that lack connectivity. This leads to cardiac diagnostic results taking up to 2 weeks. Biotres is a connected 3 channel patch solution, delivering more and higher quality data while reducing the time to diagnosis from 2 weeks to 3 days or less. This is a significant barrier to entry for existing and new competitors as they would need to develop an entirely new solution that encompasses connectivity and multiple channels to compete with the Biotres.

Chronic Care Management (CCM) and Remote Patient Monitoring (RPM)

Our chronic care management and remote patient monitoring strategy is focused on the same target addressable market of approximately 23,018 physician offices (approximately 10% of all physician offices in the U.S.), 612 hospitals (approximately 10% of all hospitals in the U.S.), and 300 IDTFs (an estimated 10% of all IDTFs in the U.S.) that we are targeting for our diagnostics. The difference in our strategy here is a focus on selling into existing accounts and new diagnostic accounts as opposed to building out a new channel strategy. These solutions are complementary to our diagnostics solution and can be sold as part of a complete platform to target new and existing customers.

Product and Technology

Bioflux

Bioflux is an advanced, integrated ECG device and software solution for the COM market. The Bioflux device is comprised of a wet electrode and worn on a belt clip around the waist. The Bioflux ECG reporting software will allow doctors and labs to view a patient's ECG data for monitoring and diagnostic purposes.

The Bioflux device has been developed, among other things, with the following features:

- 3 channels
- Built-in cellular connectivity for global cellular network compatibility;
- Extended battery size for up to48 hours of battery life.

The Bioflux platform has a built-in cellular chipset and a real-time embedded operating system which allows for our technology to be utilized as an Internet of Things (IoT) platform. This technology can be leveraged into other applications and industries by utilizing the platform and OS side of Bioflux.

Biotres

Holter and Extended Holter monitors are significantly simplified versions of cardiac diagnostics that lack connectivity and analysis. Holter and Extended Holter monitors require data to be downloaded manually, resulting in diagnostic results taking up to 2 weeks or longer. The Biotres device has been designed to address the limitations of existing solutions while providing the same disruptive business model as the Bioflux. Responding to our customer needs, the Biotres was developed with the following features:

- 3 channels
- Connectivity
- Rechargeable
- Reusable

The Biotres is also a platform technology that can be leveraged and used to enter other markets and support future product enhancements. The company has already developed a number of enhancements for Biotres that will be available in the next generation of the solution.

Biocare, Bioheart and Biokit

It is widely reported that chronic illnesses related to lifestyle diseases are on the rise, resulting in increased healthcare costs. This has caused a major shift in the US healthcare market, emphasizing a need for evidence-based healthcare system focused on overall health outcomes. Patient compliance is a critical component in driving improved health outcomes, where the patient adheres to and implements their physician's recommendation. Unfortunately, poor patient compliance is one of the most pressing issues in the healthcare market. One of the key contributing factors to this is the lack of a feedback mechanism to measure improvement and knowledge. Studies show that poor patient compliance costs the US healthcare system $100 to $289 billion annually[1], representing 3% to 10% of total US healthcare costs[2] . Studies have proven that regular monitoring of chronic care conditions improves patient outcomes in the form of lower morbidity rates and reduce the financial burden on the healthcare system by empowering preventative care.

The Company has developed Biocare to support medical practitioners as they gather data and regularly monitor and treat patients with two or more chronic care conditions. We expect that Bioheart combined with our Biocare platform, our fourth product, is focused on filling this need by providing a clinically relevant, preventative care and disease management solution for the consumer. A key underlying component of Bioheart is the ability to measure patient improvements—with clinical accuracy—helping to drive feedback and support patient compliance. This approach is implemented in our development process by focusing on a disease/chronic illness profile, as opposed to a customer profile. We are focused on cardiovascular disease for our first preventative care solution since Bioflux is aimed at the same health segment.

The focus on cardiovascular disease states make the combination of Bioheart and Biocare a unique offering within the chronic care management space which is primarily focused on diabetes. With no long term consumer solution for heart patients, chronic care management has focused on those conditions that do have personal devices, mainly diabetes, hypertension, and COPD. This is why we developed Bioheart, a consumer solution for personal use for individuals with cardiac issues. Combined with our Biocare platform, it is one of the first disease management solutions capable of delivering holistic chronic care management to cardiovascular patients.

Taking it a step further, we developed Biokit to support cardiac patients that had other chronic conditions such as hypertension or COPD. Biokit is a remote patient monitoring kit that combines a blood pressure cuff, an pulse oximeter and a digital thermometer into the Biocare platform to support the collection of additional biometrics for those patients with multiple conditions. Biocare was developed with the following features:

- Integration with cardiac diagnostics: Bioflux and Biotres
- Bioheart
- Biokit
- Virtual Clinic
- Automated biometric reporting
- Patient Dashboards
- Automated time tracking
- Built-in patient reminders and calling
- Asynchronous chat
- Monthly data summaries

Biocare is also a platform technology that can be leveraged and used to enter other chronic condition markets and support future product enhancements. The company has already developed a number of enhancements for Biocare that will be available in the next generation of the solution.

Future Markets

In the next few years, we intend to expand use of our technology platform with medical-grade solutions for the monitoring of blood pressure, diabetes, sleep apnea, chronic pain, as well as fetal monitoring, and other adjacent healthcare and lifestyle markets.

Bionatal is a proposed product for monitoring fetus' health by remote cardiac telemetry. In the US, there were approximately 24,073 fetal deaths at 20 or more weeks gestation in 2012[3]. The rise of older mothers and mothers with chronic conditions have driven high-risk pregnancies to a new high; high-risk complications now occur in 6 to 8 percent of all pregnancies[4].

The Company has also received an NIH grant to investigate cardiac anomalies in chronic kidney disease patients, which is designed to be a predictive or early detection tool for CKD patients. This and other new technology that the Company is developing is applicable to the market segments that the Company intends to serve and will continue to adhere to the Company's revenue model of deriving income from technology fees.

Competition

Cardiac Diagnostics

Cardiac Outpatient Monitoring

The medical technology equipment industry is characterized by strong competition and rapid technological change. There are a number of companies developing technologies that are competitive to our existing and proposed products, many of them, when compared to our Company, having significantly longer operational history and greater financial and other resources.

Within the US event monitoring systems market, we are aware of six main competitors in the COM product segment. These competitors have increased market presence and distribution primarily by working through existing IDTFs. The existing competitors have maintained a competitive advantage within the market by controlling the distribution of all available COM devices and software solutions. Our primary competitors in the COM market are:

● *Biotelemetry (formerly CardioNet), recently acquired by Philips for a reported $2.8B*. We believe that BioTelemetry, Inc. (NASDAQ:BEAT), has the largest network of IDTFs within the COM market. BioTelemetry is considered a complete solution provider as it produces and distributes its own COM device, software solution, and COM monitoring centers. The company acquired its COM device through the acquisition of a COM manufacturer, Braemar. Upon acquisition of Braemar, BioTelemetry offered limited support to other clients utilizing Braemar's technology. This resulted in BioTelemetry increasing the use of its device and software solution, enabling wide market penetration. We believe that BioTelemetry business model is focused on providing the COM diagnostic service, as opposed to selling COM solutions to other IDTFs or service providers, which enables a perpetual per-read fee as opposed to one time device or software sales. Equity research analysts categorize BioTelemetry as a clinical health provider, because of its business model, rather than as a medical device company. As such, we believe that BioTelemetry market cap is limited by the low multiples associated with that type of business, and, as a clinical health provider, BioTelemetry has significant overhead and fixed costs associated with monitoring centers and health professionals.

● *Preventice (formerly eCardio.), recently acquired by Boston Scientific for a reported $1.2B.* Preventice is a private company, based in Houston, Texas. Preventice's device is manufactured by a third party medical device company, TZ Medical. Preventice has integrated TZ Medical's device with its software solution to create a complete COM solution. Similar to Biotelemetry, we believe eCardio follows the same business model of offering the COM service and acting as a clinical health provider.

● *ScottCare*. ScottCare is a private company in the US and a subsidiary of Scott Fetzer Company, a division of Berkshire Hathaway. ScottCare provides equipment for cardiovascular clinics and diagnostic technicians. ScottCare has built its own COM device and software solution, and white-labeled TZ Medical's device. Unlike the others, ScottCare offers its solution in an insourced model, where the physician has the opportunity to bill. This model requires the physician to purchase a minimum number of devices at an approximate average cost of $2,000 and their software at a cost of $25,000 to $40,000. After this initial upfront cost, ScottCare charges an additional per test fee for monitoring. We believe the above model creates a long return on investment for the physician. In our opinion, this has resulted in little market penetration for ScottCare as compared to the others.

● *Infobionic*. Infobionic is a private company located in Waltham, Massachusetts. It follows a leasing model where it leases it's technology at a fixed monthly rate, whether technology is used or not. They have a complete solution, comprised of a device and software. We believe that they have a good model that will enable them to be competitive in the market. In our opinion, there is room for both Biotricity and Infobionic within the marketplace, though we believe that our solution is superior in two ways. Firstly, our device has a screen which allows better patient feedback and improved patient hookup at the clinic. Secondly, our business model is based on usage. The physician is charged a technology fee when the technology is used. If it is not used, there is no charge. This makes it attractive compared to Infobionic's model where the physician is charged even if the technology is not used.

In addition, we note that:

● *Medtronic*. Medtronic is a major medical device conglomerate. It has an COM solution by the name of SEEQ that was added to their portfolio through the acquisition of Corventis. We have seen no significant activity or usage with SEEQ in our market analysis. We also note that SEEQ is a patch based COM solution that only collects data on 1 lead. As such, it has strong competition from 3 lead systems which are the standard for COM. In early 2018, Medtronic withdrew SEEQ from the marketplace. We do not view Medtronic as a primary competitor, but, given the size and reach of Medtronic, they are an organization that we must continuously watch and be aware of.

● *TZ Medical*. TZ Medical is a medical device company that focuses on manufacturing a variety of medical devices. We do not consider TZ Medical to be a direct competitor as they produce an COM device that is available for purchase, and sold to competitors such as to Scottcare and Preventice, described above. However, we do not believe that TZ Medical has a software solution, requiring any new entrant to either acquire or build out a software solution and then integrate that with the TZ Medical device. This creates a requirement for a large upfront capital investment. As a result, we believe this approach only works for organizations looking to become COM solution providers with the same business model as the others.

We believe that our Bioflux COM solution will successfully compete because:

- it is designed as a platform to encompass all segments of the event monitoring market;
- of the insourcing business model which we believe is applicable to a significantly larger portion of the total available market and enable more efficient strategic penetration and distribution; and
- for the other reasons described earlier under "–Market Opportunity."

Holter/Extended Holter

Within the US event monitoring systems market, we are aware of three main competitors in the Holter patch product segment. These competitors have increased market presence and distribution primarily by working with Hospitals. The existing competitors have maintained a competitive advantage within the market by a first mover advantage. Our primary competitors in the Holter patch market are:

- iRhythm Technologies: iRhythm is the leader in holter patch technology with the largest footprint. They are primarily hospital focused and operate as an IDTF, much like our COM competitors. Their core product is the Zio patch, which is a 1 channel holter with no connectivity and is not rechargeable
- BardyDx (*Recently Acquired by Hilrom*): BardyDx is the second largest player in the holter space. They operate as an IDTF as well. Their core product is a 1 channel patch with no connectivity with a removable chip for data uploads.
- VitalConnect: is a small player in the holter space. They have a disposable patch monitor that can be used for a limited time, making it unusable for long term studies. They operate as an IDTF.

Cardiac Disease Management

Within the US cardiac disease management market, we are aware of three main competitors in the cardiac care management segment. These competitors have different approaches, solutions, and technologies but we still regard them as competitors. Technologically we have a number of differentiators as we are the only company that has a continuous heart monitor. Our primary competitors in the cardiac disease management market are:

Bioheart:

- Alivecor is a direct to consumer cardiac monitoring company. They are the biggest brand in consumer cardiac care and have a simple to use handheld cardiac device. They operate as a service provider, providing cardiac insights direct to individuals.

Biocare:

- Optimize Health: Optimize health is a chronic care and RPM platform for a variety of chronic conditions. Thought it is platform with no focus on cardiac specifically, it provides a complete platform for clinics and hospitals to utilize and build out a chronic disease management program.
- HelloHeart: Hello Heart is a disease management program focused on hypertension. It is one of the few disease management programs that is focused on a heart related chronic disease

In the digital health space, we have noticed that we have competitors for different products but not a single competitor that has the entire product portfolio that we have. This adds a layer of differentiation and competitive advantage as customer can deal with one vendor as opposed to multiple vendors that they have to integrate.

Intellectual Property

We primarily rely on trade secret protection for our proprietary information. No assurance can be given that we can meaningfully protect our trade secrets. Others may independently develop substantially equivalent confidential and proprietary information or otherwise gain access to, or disclose, our trade secrets.

We have and generally plan to continue to enter into non-disclosure, confidentiality and intellectual property assignment agreements with all new employees as a condition of employment. In addition, we intend to also generally enter into confidentiality and non-disclosure agreements with consultants, manufacturers' representatives, distributors, suppliers and others to attempt to limit access to, use and disclosure of our proprietary information. There can be no assurance, however, that these agreements will provide meaningful protection or adequate remedies for our trade secrets in the event of unauthorized use or disclosure of such information.

We also may from time to time rely on other intellectual property developed or acquired, including patents, technical innovations, laws of unfair competition and various other licensing agreements to provide our future growth and to build our competitive position. We have filed an industrial design patent in Canada, and we may decide to file for additional patents as we continue to expand our intellectual property portfolio. However, we can give no assurance that competitors will not infringe on our patent or other rights or otherwise create similar or non-infringing competing products that are technically patentable in their own right. We fully intend to vigorously defend our intellectual property and patents.

Currently, we have a number of registered trademarks; we may obtain additional registrations in the future.

Research and Development

Our research and development programs are generally pursued by engineers and scientists employed by us in California and Toronto on a full-time basis or hired as per diem consultants or through partnerships with industry leaders in manufacturing and design and researchers and academia. We are also working with subcontractors in developing specific components of our technologies. In all cases, we ensure that all areas of IP are owned and controlled by the Company.

The primary objective of our research and development program is to advance the development of our existing and proposed products, to enhance the commercial value of such products.

We incurred research and development costs of $3.0 million for the fiscal year ended March 31, 2023 and $2.7 million for the fiscal year ended March 31, 2022.

Government Regulation

General

Our medical device products are subject to regulation by the U.S. FDA and various other federal and state agencies, as well as by foreign governmental agencies. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of our medical device products.

In addition to those indicated below, the only other regulations we encounter are regulations that are common to all businesses, such as employment legislation, implied warranty laws, and environmental, health and safety standards, to the extent applicable. We will also encounter in the future industry-specific government regulations that would govern our products, if and when developed for commercial use. It may become the case that other regulatory approvals will be required for the design and manufacture of our products and proposed products.

U.S. Regulation

The FDA governs the following activities that Biotricity performs, will perform, upon the clearance or approval of its product candidates, or that are performed on its behalf, to ensure that medical products distributed domestically or exported internationally are safe and effective for their intended uses:

- product design, and development;
- product safety, testing, labeling and storage;
- record keeping procedures; and
- product marketing.

There are numerous FDA regulatory requirements governing the approval or clearance and subsequent commercial marketing of Biotricity's products. These include:

- the timely submission of product listing and establishment registration information, along with associated establishment user fees;
- continued compliance with the Quality System Regulation, or QSR, which require specification developers and manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of products for uncleared, unapproved or off-label use or indication;
- clearance or approval of product modifications that could significantly affect the safety or effectiveness of the device or that would constitute a major change in intended use;
- Medical Device Reporting regulations (MDR), which require that manufacturers keep detailed records of investigations or complaints against their devices and to report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur;
- adequate use of the Corrective and Preventive Actions process to identify and correct or prevent significant systemic failures of products or processes or in trends which suggest same;
- post-approval restrictions or conditions, including post-approval study commitments;
- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and effectiveness data for the device; and
- notices of correction or removal and recall regulations.

Depending on the classification of the device, before Biotricity can commercially distribute medical devices in the United States, it had to obtain, either prior 510(k) clearance, 510(k) de-novo clearance or premarket approval (PMA), from the FDA unless a respective exemption applied. The FDA classifies medical devices into one of three classes based on the degree of risk associated with each medical device and the extent of regulatory controls needed to ensure the device's safety and effectiveness:

- Class I devices, which are low risk and subject to only general controls (e.g., registration and listing, medical device labeling compliance, MDRs, Quality System Regulations, and prohibitions against adulteration and misbranding) and, in some cases, to the 510(k) premarket clearance requirements;

- Class II devices, which are moderate risk and generally require 510(k) or 510(k) de-novo premarket clearance before they may be commercially marketed in the United States as well as general controls and potentially special controls like performance standards or specific labeling requirements; and

- Class III devices, which are devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a predicate device. Class III devices generally require the submission and approval of a PMA supported by clinical trial data.

The custom software and hardware of our products are classified as Class II. Class II devices are those for which general controls alone are insufficient to provide reasonable assurance of safety and effectiveness and there is sufficient information to establish special controls. Special controls can include performance standards, post-market surveillance, patient histories and FDA guidance documents. Premarket review and clearance by the FDA for these devices is generally accomplished through the 510(k) or 510(k) de-novo premarket notification process. As part of the 510(k) or 510(k) de-novo notification process, the FDA may have required the following:

- Development of comprehensive product description and indications for use.

- Completion of extensive preclinical tests and preclinical animal studies, performed in accordance with the FDA's Good Laboratory Practice (GLP) regulations.

- Comprehensive review of predicate devices and development of data supporting the new product's substantial equivalence to one or more predicate devices.

- If appropriate and required, certain types of clinical trials (IDE submission and approval may be required for conducting a clinical trial in the US).

If required, clinical trials involve use of the medical device on human subjects under the supervision of qualified investigators in accordance with current Good Clinical Practices (GCPs), including the requirement that all research subjects provide informed consent for their participation in the clinical study. A written protocol with predefined end points, an appropriate sample size and pre-determined patient inclusion and exclusion criteria, is required before initiating and conducting a clinical trial. All clinical investigations of devices to determine safety and effectiveness must be conducted in accordance with the FDA's Investigational Device Exemption, or IDE, regulations that among other things, govern investigational device labeling, prohibit promotion of the investigational device, and specify recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk," as defined by the FDA, the agency requires the device sponsor to submit an IDE application, which must become effective prior to commencing human clinical trials. The IDE will automatically become effective 30 days after receipt by the FDA, unless the FDA denies the application or notifies the company that the investigation is on hold and may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE that requires modification, the FDA may permit a clinical trial to proceed under a conditional approval. In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board (IRB) for each clinical site. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but it must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements.

Given successful completion of all required testing, a detailed 510(k) premarket notification or 510(k) de-novo was submitted to the FDA requesting clearance to market the product. The notification included all relevant data from pertinent preclinical and clinical trials, together with detailed information relating to the product's manufacturing controls and proposed labeling, and other relevant documentation.

A 510(k) clearance letter from the FDA then authorized commercial marketing of the device for one or more specific indications of use.

After 510(k) clearance, Biotricity is required to comply with a number of post-clearance requirements, including, but not limited to, Medical Device Reporting and complaint handling, and, if applicable, reporting of corrective actions. Also, quality control and manufacturing procedures must continue to conform to QSRs. The FDA periodically inspects manufacturing facilities to assess compliance with QSRs, which impose extensive procedural, substantive, and record keeping requirements on medical device manufacturers. In addition, changes to the manufacturing process are strictly regulated, and, depending on the change, validation activities may need to be performed. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with QSRs and other types of regulatory controls.

After a device receives 510(k) clearance from FDA, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use or technological characteristics, requires a new 510(k) clearance or could require a PMA. The FDA requires each manufacturer to make the determination of whether a modification requires a new 510(k) notification or PMA in the first instance, but the FDA can review any such decision. If the FDA disagrees with a manufacturer's decision not to seek a new 510(k) clearance or PMA for a particular change, the FDA may retroactively require the manufacturer to seek 510(k) clearance or PMA. The FDA can also require the manufacturer to cease U.S. marketing and/or recall the modified device until additional 510(k) clearance or PMA approval is obtained.

The FDA and the Federal Trade Commission, or FTC, will also regulate the advertising claims of Biotricity's products to ensure that the claims it makes are consistent with its regulatory clearances, that there is scientific data to substantiate the claims and that product advertising is neither false nor misleading.

We received 510(k) clearance for both the software and hardware components of our Bioflux and Biotres products. To obtain 510(k) clearance, a company must submit a notification to the FDA demonstrating that its proposed device is substantially equivalent to a predicate device (i.e., a device that was in commercial distribution before May 28, 1976, a device that has been reclassified from Class III to Class I or Class II, or a 510(k)-cleared device). The FDA's 510(k) clearance process generally takes from three to 12 months from the date the application is submitted but also can take significantly longer. If the FDA determines that the device or its intended use is not substantially equivalent to a predicate device, the device is automatically placed into Class III, requiring the submission of a PMA. Once the information is submitted, there is no guarantee that the FDA will grant a company 510(k) clearance for its pipeline products, and failure to obtain the necessary clearances for its products would adversely affect its ability to grow its business. Delays in receipt or failure to receive the necessary clearances, or the failure to comply with existing or future regulatory requirements, could reduce its business prospects.

Devices that cannot be cleared through the 510(k) process due to lack of a predicate device but would be considered low or moderate risk may be eligible for the 510(k) de-novo process. In 1997, the Food and Drug Administration Modernization Act, or FDAMA added the de novo classification pathway now codified in section 513(f)(2) of the 29&C Act. This law established an alternate pathway to classify new devices into Class I or II that had automatically been placed in Class III after receiving a Not Substantially Equivalent, or NSE, determination in response to a 510(k) submission. Through this regulatory process, a sponsor who receives an NSE determination may, within 30 days of receipt, request FDA to make a risk-based classification of the device through what is called a "de novo request." In 2012, section 513(f)(2) of the 29&C Act was amended by section 607 of the Food and Drug Administration Safety and Innovation Act (FDASIA), in order to provide a second option for de novo classification. Under this second pathway, a sponsor who determines that there is no legally marketed device upon which to base a determination of substantial equivalence can submit a de novo request to FDA without first submitting a 510(k).

In the event that a company receives a Not Substantially Equivalent determination for its candidates in response to a 510(k) submission, the device may still be eligible for the 510(k) de-novo classification process.

Devices that cannot be cleared through the 510(k) or 510(k) de-novo classification process require the submission of a PMA. The PMA process is much more time consuming and demanding than the 510(k) notification process. A PMA must be supported by extensive data, including but not limited to data obtained from preclinical and/or clinical studies and data relating to manufacturing and labeling, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device. After a PMA application is submitted, the FDA's in-depth review of the information generally takes between one and three years and may take significantly longer. If the FDA does not grant 510(k) clearance to its future products, there is no guarantee that Biotricity will submit a PMA or that if it does, that the FDA would grant a PMA approval of Biotricity's future products, either of which would adversely affect Biotricity's business.

We have installed a suitable and effective quality management system, which establishes controlled processes for our product design, manufacturing, and distribution. We plan to do this in compliance with the internationally recognized standard ISO 13485:2013 Medical Devices – Quality Management Systems – Requirements for Regulatory Purposes. Following the introduction of a product, the FDA and foreign agencies engage in periodic reviews of our quality systems, as well as product performance and advertising and promotional materials. These regulatory controls, as well as any changes in FDA policies, can affect the time and cost associated with the development, introduction and continued availability of new products. Where possible, we anticipate these factors in our product development processes. These agencies possess the authority to take various administrative and legal actions against us, such as product recalls, product seizures and other civil and criminal sanctions.

Foreign Regulation

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products in foreign countries. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

The policies of the FDA and foreign regulatory authorities may change and additional government regulations may be enacted which could prevent or delay regulatory approval of our products and could also increase the cost of regulatory compliance. We cannot predict the likelihood, nature or extent of adverse governmental regulation that might arise from future legislative or administrative action, either in the United States or abroad.

Manufacturing and Suppliers

Earlier in the life-cycle of the Company, we focused primarily on research and development of the first generation version of the Bioflux. We have since completed the development of Biotres and of Bioheart and their proposed marketing and distribution. We currently assemble our devices at our Redwood City, California facility. In order to maintain compliance with FDA and other regulatory requirements, our manufacturing facilities must be periodically re-evaluated and qualified under a quality system to ensure they meet production and quality standards. Suppliers of components and products used to manufacture our devices must also comply with FDA regulatory requirements, which often require significant resources and subject us and our suppliers to potential regulatory inspections and stoppages.

We have a scalable manufacturing strategy and goals and use Providence Enterprises (*herein* "*Providence*"), which is an FDA qualified manufacturer for contract manufacturing. We do not have a contract with Providence or any obligation to use them (nor do they have any obligations with respect to us other than with respect to any specific orders we may make) and we enter into purchase orders for each manufacturing request we have with Providence, as we would with other vendors. Despite our working relationship with Providence, we intend to continue to identify and develop other efficient, automated, low-cost manufacturing capabilities and options to meet the quality, price, engineering, design and production standards or production volumes required to successfully mass market our products, especially at the low-cost levels we require to facilitate our business plan.

We currently rely on a number of principal suppliers for the components that make up our products and proposed products; these include Digikey Corporation and Mouser Electronics for electronics and connectors, Telit/Stollmann for Bluetooth modules, Yongan Innovations for batteries, Dongguan Bole RP&M Cp. Ltd. for plastics, Unimed Medical and Conmed for ECG cables and electrodes, and Medico Systems for touch-panel LCD displays. We believe that the raw materials used or expected to be used in our planned products can be acquired from multiple sources and are readily available on the market.

Employees

We currently have 55 full-time employees and approximately 20 consultants who are based in our offices located in Silicon Valley, California and Toronto, Canada. These employees oversee day-to-day operations of the Company and, together with the consultants, support management, engineering, manufacturing, and administration. We have no unionized employees.

We plan to hire 10 to 15 additional full-time employees within the next 12 months, as needed to support continued growth in our business. Their principal responsibilities will be the support of our sales, marketing, research and development, and clinical development activities.

We consider relations with our employees to be satisfactory.

ITEM 1A. RISK FACTORS

Risks Related to Our Business

Natural disasters and other events beyond our control could materially adversely affect us.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Such events could make it difficult or impossible for us to deliver our services to our customers and could decrease demand for our services. Pandemics or disease outbreaks such as COVID-19 and its variants (collectively, "COVID-19") have had, and may continue to have, impacts on the Company's business. These include, limited access to our facilities, customers, management, support staff and professional advisors and can, in future, impact our manufacturing supply chain. In addition, the general economic and other impacts related to responsive actions taken by governments and others to mitigate the spread of COVID-19, or in the future other pandemics or disease outbreaks, including but not limited to stay-at-home, shelter-in-place and other travel restrictions, social distancing requirements, mask mandates, limitations on certain businesses' hours and operations, limits on public gatherings and other events, and restrictions on what, may continue to, result in similar declines in store traffic and overall demand, increased operating costs, and decreased or slower unit/store growth.

We have a limited operating history upon which investors can rely to evaluate our future prospects.

We have a limited operating history upon which an evaluation of its business plan or performance and prospects can be made. The business and prospects of the Company must be considered in the light of the potential problems, delays, uncertainties and complications encountered in connection with a newly established business and new industry. The risks include, but are not limited to, the possibility that we will not be able to develop functional and scalable products and services, or that although functional and scalable, our products and services will not be economical to market; that our competitors hold proprietary rights that preclude us from marketing such products; that our competitors market a superior or equivalent product; that we are not able to upgrade and enhance our technologies and products to accommodate new features and expanded service offerings; or the failure to receive necessary regulatory clearances for our products. To successfully introduce and market our products at a profit, we must establish brand name recognition and competitive advantages for our products. There are no assurances that we can successfully address these challenges. If unsuccessful with one or more of these issues, we and our business, financial condition and operating results could be materially and adversely affected.

The current and future expense levels in our forecasts are based largely on estimates of planned operations and future revenues rather than experience. It is difficult to accurately forecast future revenues because our business is new and our market has not been fully developed. If our forecasts prove incorrect, the business, operating results and financial condition of the Company may be materially and adversely affected. Moreover, we may be unable to adjust our spending in a timely manner to compensate for any unanticipated reduction in revenues. As a result, any significant reduction in revenues may immediately and adversely affect our business, financial condition and operating results.

We have not had a long history of producing revenues and we cannot predict when we will achieve sustained profitability.

We have not been profitable, and cannot definitely predict when we will achieve profitability, if ever. We have experienced net losses historically. We do not anticipate generating significant revenues until we successfully continue to develop, commercialize and sell our existing and proposed products, of which we can give no assurance. We are unable to determine when we will generate significant revenues from the sale of new products. Our inability to become profitable may force us to curtail or temporarily discontinue our research and development programs and our day-to-day operations. Furthermore, there can be no assurance that profitability, if achieved, can be sustained on an ongoing basis. As of March 31, 2023, we had an accumulated deficit of $112,570,825.

We may not meet our product development and commercialization milestones.

We have established milestones, based upon our expectations regarding our technologies at that time, which we use to assess our progress toward developing our products. These milestones relate to technology and design improvements as well as dates for achieving development goals. If our products exhibit technical defects or are unable to meet cost or performance goals, our commercialization schedule could be delayed and potential purchasers of our initial commercial products may decline to purchase such products or may opt to pursue alternative products.

We may also experience shortages of monitors, sensors or bases due to manufacturing difficulties. Multiple suppliers provide the components used in our devices. Our manufacturing operations could be disrupted by fire, earthquake or other natural disaster, a labor-related disruption, failure in supply or other logistical channels, electrical outages or other reasons. If there were a disruption to manufacturing facilities, we would be unable to manufacture devices until we have restored and re-qualified our manufacturing capability or developed alternative manufacturing facilities.

Generally, we have met our milestone schedules when making technological advances in our product. We can give no assurance that our commercialization schedule will continue to be met as we further develop the Bioflux or any of our other proposed products.

We have entered into a Credit Agreement pursuant to which we have granted the lender a security interest in all of our assets including our intellectual property and if we default on our obligations in the Credit Agreement the lender could foreclose on our assets.

On December 21, 2021, we entered into a Credit Agreement ("Credit Agreement") with SWK Funding LLC ("Lender'), wherein the Company has borrowed $12.3 million, with a maturity date of December 21, 2026. The principal will accrue interest at the LIBOR Rate plus 10.5% (subject to adjustment as set forth in the Credit Agreement). Pursuant to the Credit Agreement, the Company will be required to make interest only payments for the first 24 months (which may be extended to 36 months under prescribed circumstances), after which payments will include principal amortization that accommodates a 40% balloon principal payment at maturity. Prepayment of amounts owing under the Credit Agreement are allowed under prescribed circumstances. Pursuant to the Credit Agreement the Company paid an Origination Fee in the amount of $120,000. Upon Termination of the Credit Agreement, the Company shall pay an Exit Fee of $600,000.

The Company and Lender also entered into a Guarantee and Collateral Agreement wherein the Company agreed to secure the Credit Agreement with all of the Company's assets. The Company and Lender also entered into an Intellectual Property Security Agreement dated December 21, 2021 wherein the Credit Agreement is also secured by the Company's right title and interest in the Company's Intellectual Property.

If we default on our obligations to the lender, the lender could foreclose on their security interests and liquidate some or all of these assets, which would harm our business, financial condition and results of operations and could require us to curtail or cease operations.

Our business is dependent upon physicians utilizing our solution when prescribing cardiac monitoring; if we fail to continue to be successful in convincing physicians in utilizing our solution, our revenue could fail to grow and could decrease.

The success of our cardiac monitoring business is dependent upon physicians utilizing our solution when prescribing cardiac monitoring to their patients. The utilization of our solution by physicians for use in the prescription of cardiac monitoring is directly influenced by a number of factors, including:

- the ability of the physicians with whom we work to obtain sufficient reimbursement and be paid in a timely manner for the professional services they provide in connection with the use of our monitoring solutions;
- continuing to establish ourselves as a cardiac technology company;
- our ability to educate physicians regarding the benefits of COM over alternative diagnostic monitoring solutions;
- our demonstrating that our proposed products are reliable and supported by us in the field;
- supplying and servicing sufficient quantities of products directly or through marketing alliances; and
- pricing our devices and technology service fees in a medical device industry that is becoming increasingly price sensitive.

If we are unable to drive physician utilization, revenue from the provision of our arrhythmia monitoring solutions could fail to grow or even potentially decrease.

We are subject to extensive governmental regulations relating to the manufacturing, labeling and marketing of our products.

Our medical technology products and operations are subject to regulation by the FDA, Health Canada and other foreign and local governmental authorities. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of our medical products.

Under the United States Federal Food, Drug, and Cosmetic Act, medical devices are classified into one of three classes — Class I, Class II or Class III — depending on the degree of risk associated with each medical device and the extent of control needed to ensure safety and effectiveness. Our Bioflux device is a Class II medical device and we believe our planned products will also be Class II medical devices. Class II devices are subject to additional controls, including full applicability of the Quality System Regulations, and requirements for 510(k) pre-market notification.

From time to time, the FDA may disagree with the classification of a new Class II medical device and require the manufacturer of that device to apply for approval as a Class III medical device. In the event that the FDA determines that our Class II medical products should be classified as Class III medical devices, we could be precluded from marketing the devices for clinical use within the United States for a period of time, the length of which depends on the specific change in the classification. Reclassification of our Class II medical products as Class III medical devices could significantly increase our regulatory costs, including the timing and expense associated with required clinical trials and other costs.

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products in foreign countries. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

The policies of the FDA and foreign regulatory authorities may change and additional government regulations may be enacted which could prevent or delay regulatory approval of our products and could also increase the cost of regulatory compliance. We cannot predict the likelihood, nature or extent of adverse governmental regulation that might arise from future legislative or administrative action, either in the United States or abroad.

The FDA and non-U.S. regulatory authorities require that our products be manufactured according to rigorous standards. These regulatory requirements may significantly increase our production costs and may even prevent us from making our products in amounts sufficient to meet market demand. If we change our approved manufacturing process, the FDA may need to review the process before it may be used. Failure to comply with applicable regulatory requirements discussed could subject us to enforcement actions, including warning letters, fines, injunctions and civil penalties, recall or seizure of our products, operating restrictions, partial suspension or total shutdown of our production, and criminal prosecution.

Federal, state and non-U.S. regulations regarding the manufacture and sale of medical devices are subject to future changes. The complexity, timeframes and costs associated with obtaining marketing clearances are unknown. Although we cannot predict the impact, if any, these changes might have on our business, the impact could be material.

Following the introduction of a product, these agencies will also periodically review our design and manufacturing processes and product performance. The process of complying with the applicable good manufacturing practices, adverse event reporting, clinical trial and other requirements can be costly and time consuming, and could delay or prevent the production, manufacturing or sale of our products. In addition, if we fail to comply with applicable regulatory requirements, it could result in fines, delays or suspensions of regulatory clearances, closure of manufacturing sites, seizures or recalls of products and damage to our reputation. Recent changes in enforcement practice by the FDA and other agencies have resulted in increased enforcement activity, which increases the compliance risk for the Company and other companies in our industry. In addition, governmental agencies may impose new requirements regarding registration, labeling or prohibited materials that may require us to modify or re-register products already on the market or otherwise impact our ability to market our products in those countries. Once clearance or approval has been obtained for a product, there is an obligation to ensure that all applicable FDA, Health Canada and other regulatory requirements continue to be met.

Additionally, injuries caused by the malfunction or misuse of cardiac monitoring devices, even where such malfunction or misuse occurs with respect to one of our competitor's products, could cause regulatory agencies to implement more conservative regulations on the medical cardiac monitoring industry, which could significantly increase our operating costs.

If our customers are not able to both obtain and maintain adequate levels of third-party reimbursement for services using our products, it would have a material adverse effect on our business.

Healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various governmental agencies worldwide, private insurance companies, and managed care organizations. The manner and level of reimbursement in any given case may depend on the site of care, the procedure(s) performed, the final patient diagnosis, the device(s) utilized, available budget, the efficacy, safety, performance and cost-effectiveness of our planned products and services, or a combination of these or other factors, and coverage and payment levels are determined at each payer's discretion. The coverage policies and reimbursement levels of these third-party payers may impact the decisions of healthcare providers and facilities regarding which medical products they purchase and the prices they are willing to pay for those products. Thus, changes in reimbursement levels or methods may either positively or negatively impact sales of our products.

We have no direct control over payer decision-making with respect to coverage and payment levels for our medical device products. Additionally, we expect many payers to continue to explore cost-containment strategies (e.g., comparative and cost-effectiveness analyses, so-called "pay-for-performance" programs implemented by various public and private payers, and expansion of payment bundling schemes such as Accountable Care Organizations, and other such methods that shift medical cost risk to providers) that may potentially impact coverage and/or payment levels for our current products or products we develop.

The ability of physicians and other providers to successfully utilize our cardiac monitoring solution and successfully allow payors to reimburse for the physicians' technical and professional fees is critical to our business because physicians and their patients will select arrhythmia monitoring solutions other than ours in the event that payors refuse to adequately reimburse our technical fees and physicians' professional fees.

Our customers may experience difficulty in obtaining reimbursement for our services from commercial payors that consider our technology to be experimental and investigational, which would adversely affect our revenue and operating results.

Many commercial payors refuse to enter into contracts to reimburse the fees associated with medical devices or services that such payors determine to be "experimental and investigational." Commercial payors typically label medical devices or services as "experimental and investigational" until such devices or services have demonstrated product superiority evidenced by a randomized clinical trial.

Clinical trials have been performed on other mobile cardiac telemetry devices, proving higher diagnostic yield than traditional event loop monitoring. Certain remaining commercial payors, however, have stated that they do not believe the data from the clinical trials justifies the removal of the experimental designation for mobile cardiac telemetry solutions. As a result, certain commercial payors may refuse to reimburse the technical and professional fees associated with cardiac monitoring solutions such as the one expected to be offered by Biotricity.

If commercial payors decide not reimburse physicians or providers for their services during the utilization of our cardiac monitoring solutions, our revenue could fail to grow and could decrease.

Reimbursement by Medicare is highly regulated and subject to change; our failure to comply with applicable regulations, could decrease our expected revenue and may subject us to penalties or have an adverse impact on our business.

The Medicare program is administered by the Centers for Medicare and Medicaid Services ("CMS"), which imposes extensive and detailed requirements on medical services providers, including, but not limited to, rules that govern how we structure our relationships with physicians, and how and where we provide our arrhythmia monitoring solutions. Our failure to comply with applicable Medicare rules could result in discontinuing the ability for physicians to receive reimbursement as they will likely utilize our cardiac monitoring solution under the Medicare payment program, civil monetary penalties, and/or criminal penalties, any of which could have a material adverse effect on our business and revenues.

Consolidation of commercial payors could result in payors eliminating coverage of mobile cardiac monitoring solutions or reducing reimbursement rates.

When payors combine their operations, the combined company may elect to reimburse physicians for cardiac monitoring services at the lowest rate paid by any of the participants in the consolidation. If one of the payors participating in the consolidation does not reimburse for these services at all, the combined company may elect not to reimburse at any rate. Reimbursement rates tend to be lower for larger payors. As a result, as payors consolidate, our expected average reimbursement rate may decline.

Product defects could adversely affect the results of our operations.

The design, manufacture and marketing of our products involve certain inherent risks. Manufacturing or design defects, unanticipated use of our products, or inadequate disclosure of risks relating to the use of our products can lead to injury or other adverse events. These events could lead to recalls or safety alerts relating to our products (either voluntary or required by the FDA, Health Canada or similar governmental authorities in other countries), and could result, in certain cases, in the removal of a product from the market. A recall could result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products. Personal injuries relating to the use of our products could also result in product liability claims being brought against us. In some circumstances, such adverse events could also cause delays in new product approvals.

Interruptions or delays in telecommunications systems or in the data services provided to us by cellular communication providers or the loss of our wireless or data services could impair the delivery of our cardiac monitoring services.

The success of Biotricity's cardiac monitoring services will be dependent upon our ability to store, retrieve, process and manage data and to maintain and upgrade our data processing and communication capabilities. The monitoring solution relies on a third-party wireless carrier to transmit data over its data network. All data sent by our monitors via this wireless data network or via landline is expected to be routed directly to data centers and subsequently routed to the third-party ECG monitoring centers. We are therefore dependent upon third party wireless carrier to provide data transmission and data hosting services to us. If we lose wireless carrier services, we would be forced to seek alternative providers of data transmission and data hosting services, which might not be available on commercially reasonable terms or at all.

As we expand our commercial activities, an increased burden is expected to be placed upon our data processing systems and the equipment upon which they rely. Interruptions of our data networks, or the data networks of our wireless carrier, for any extended length of time, loss of stored data or other computer problems could have a material adverse effect on our business and operating results. Frequent or persistent interruptions in our arrhythmia monitoring services could cause permanent harm to our reputation and could cause current or potential users or prescribing physicians to believe that our systems are unreliable, leading them to switch to our competitors. Such interruptions could result in liability, claims and litigation against us for damages or injuries resulting from the disruption in service.

Our systems are also expected to be vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, computer viruses, break-ins, sabotage, and acts of vandalism. Despite any precautions that we may take, the occurrence of a natural disaster or other unanticipated problems could result in lengthy interruptions in these services. We do not carry business interruption insurance to protect against losses that may result from interruptions in service as a result of system failures. Moreover, the communications and information technology industries are subject to rapid and significant changes, and our ability to operate and compete is dependent on our ability to update and enhance the communication technologies used in our systems and services.

We could be exposed to significant liability claims if we are unable to obtain insurance at acceptable costs and adequate levels or otherwise protect ourselves against potential product liability claims.

The testing, manufacture, marketing and sale of medical devices entail the inherent risk of liability claims or product recalls. Product liability insurance is expensive and, if available, may not be available on acceptable terms at all periods of time. A successful product liability claim or product recall could inhibit or prevent the successful commercialization of our products, cause a significant financial burden on the Company, or both, which in either case could have a material adverse effect on our business and financial condition.

We require additional capital to support our present business plan and our anticipated business growth, and such capital may not be available on acceptable terms, or at all, which would adversely affect our ability to operate.

We will require additional funds to further develop our business plan. Based on our current operating plans, we plan to use an additional $15 million in capital to fund our planned operations and sales efforts necessary to propel the commercialization of Bioflux into broader markets. We may choose to raise additional capital beyond this in order to expedite and propel growth more rapidly. We can give no assurance that we will be successful in raising any additional funds. Additionally, if we are unable to generate sufficient planned revenues from our sales and operating activities, we may need to raise additional funds, doing so through debt and equity offerings, in order to meet our expected future liquidity and capital requirements, including capital required for the development completion and introduction of our other planned products and technologies. Any such financing that we undertake will likely be dilutive to current stockholders.

We intend to continue to make investments to support our business growth, including patent or other intellectual property asset creation. In addition, we may also need additional funds to respond to business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, satisfying debt payment obligations, developing new lines of business and enhancing our operating infrastructure. While we may need to seek additional funding for such purposes, we may not be able to obtain financing on acceptable terms, or at all. In addition, the terms of our financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We may also seek to raise additional funds through arrangements with collaborators or other third parties. We may not be able to negotiate any such arrangements on acceptable terms, if at all. If we are unable to obtain additional funding on a timely basis, we may be required to curtail or terminate some or all of our business plans.

We cannot predict our future capital needs and we may not be able to secure additional financing.

We will need to raise additional funds in the future to fund our working capital needs and to fund further expansion of our business. We may require additional equity or debt financings, collaborative arrangements with corporate partners or funds from other sources for these purposes. No assurance can be given that necessary funds will be available for us to finance our development on acceptable terms, if at all. Furthermore, such additional financings may involve substantial dilution of our stockholders or may require that we relinquish rights to certain of our technologies or products. In addition, we may experience operational difficulties and delays due to working capital restrictions. If adequate funds are not available from operations or additional sources of financing, we may have to delay or scale back our growth plans.

The results of our research and development efforts are uncertain and there can be no assurance of the continued commercial success of our products.

We believe that we will need to incur additional research and development expenditures to continue development of our existing proposed products as well as research and development expenditures to develop new products and services. The products and services we are developing and may develop in the future may not be technologically successful. In addition, the length of our product and service development cycle may be greater than we originally expected, and we may experience delays in product development. If our resulting products and services are not technologically successful, they may not achieve market acceptance or compete effectively with our competitors' products and services.

If we fail to retain certain of our key personnel and attract and retain additional qualified personnel, we might not be able to pursue our growth strategy.

Our future success will depend upon the continued service of Waqaas Al-Siddiq, our President and Chief Executive Officer. We entered into an employment with Mr. Al-Siddiq on April 10, 2020 pursuant to which he will continue to serve as Chief Executive officer for 12 months from the execution date unless his employment is terminated sooner or the employment agreement is automatically renewed pursuant to its terms. Although we believe that our relationship with him is positive, there can be no assurance that his services will continue to be available to us in the future. We do not carry any key man life insurance policies on any of our executive officers.

Executive and legislative actions, or legal proceedings that seek to amend or impede the implementation of the Affordable Care Act, as well as future efforts to repeal, replace or further modify the Affordable Care Act may adversely affect our business, financial condition and results of operations.

Since its adoption into law in 2010, the Affordable Care Act has been challenged before the U.S. Supreme Court, and Congress in order to delay, defund, or repeal implementation of or amend significant provisions of the Affordable Care Act. In addition, there continues to be ongoing litigation over the interpretation and implementation of certain provisions of the law. The net effect of the Affordable Care Act, as currently in effect, on our business is subject to a number of variables, including the law's complexity, lack of complete implementing regulations and interpretive guidance, and the sporadic implementation of the numerous programs designed to improve access to and the quality of healthcare services. Additional variables of the Affordable Care Act impacting our business will be how states, providers, insurance companies, employers, and other market participants respond to any future challenges to the Affordable Care Act.

We cannot predict whether the Affordable Care Act will be modified, or whether it will be repealed or replaced, in whole or in part, and, if so, what the replacement plan or modifications would be, when the replacement plan or modifications would become effective, or whether any of the existing provisions of the Affordable Care Act would remain in place

We will not be profitable unless we can demonstrate that our products can be manufactured at low prices.

To date, we have focused primarily on research and development of the first-generation version of the Bioflux, as well as other technologies we plan to introduce in our eco-system, and their proposed marketing and distribution. Consequently, we have little experience in manufacturing these products on a commercial basis. We may manufacture our products through third-party manufacturers. We can offer no assurance that either we or our manufacturing partners will develop efficient, automated, low-cost manufacturing capabilities and processes to meet the quality, price, engineering, design and production standards or production volumes required to successfully mass market our products, especially at the low-cost levels we require to absorb the cost of near free distribution of our products pursuant to our proposed business plan. Even if we or our manufacturing partners are successful in developing such manufacturing capability and processes, we do not know whether we or they will be timely in meeting our product commercialization schedule or the production and delivery requirements of potential customers. A failure to develop such manufacturing processes and capabilities could have a material adverse effect on our business and financial results.

Our profitability in part is dependent on material and other manufacturing costs. We are unable to offer any assurance that either we or a manufacturing partner will be able to reduce costs to a level which will allow production of a competitive product or that any product produced using lower cost materials and manufacturing processes will not suffer from a reduction in performance, reliability and longevity.

If we or our suppliers fail to achieve or maintain regulatory approval of manufacturing facilities, our growth could be limited, and our business could be harmed.

We currently assemble our devices in our California facility. To maintain compliance with FDA and other regulatory requirements, our manufacturing facilities must be periodically re-evaluated and qualified under a quality system to ensure they meet production and quality standards. Suppliers of components and products used to manufacture our devices must also comply with FDA regulatory requirements, which often require significant resources and subject us and our suppliers to potential regulatory inspections and stoppages. If we or our suppliers do not maintain regulatory approval for our manufacturing operations, our business could be adversely affected.

Our dependence on a limited number of suppliers may prevent us from delivering our devices on a timely basis.

We currently rely on a limited number of suppliers of components for our devices. If these suppliers became unable to provide components in the volumes needed or at an acceptable price, we would have to identify and qualify acceptable replacements from alternative sources of supply. The process of qualifying suppliers is lengthy. Delays or interruptions in the supply of our requirements could limit or stop our ability to provide sufficient quantities of devices on a timely basis or meet demand for our services, which could have a material adverse effect on our business, financial condition and results of operations.

Our operations in international markets involve inherent risks that we may not be able to control.

Our business plan includes the marketing and sale of our proposed products in international markets. Accordingly, our results could be materially and adversely affected by a variety of uncontrollable and changing factors relating to international business operations, including:

- Macroeconomic conditions adversely affecting geographies where we intend to do business;
- Foreign currency exchange rates;
- Political or social unrest or economic instability in a specific country or region;
- Higher costs of doing business in foreign countries;
- Infringement claims on foreign patents, copyrights or trademark rights;
- Difficulties in staffing and managing operations across disparate geographic areas;
- Difficulties associated with enforcing agreements and intellectual property rights through foreign legal systems;
- Trade protection measures and other regulatory requirements, which affect our ability to import or export our products from or to various countries;
- Adverse tax consequences;
- Unexpected changes in legal and regulatory requirements;
- Military conflict, terrorist activities, natural disasters and medical epidemics; and
- Our ability to recruit and retain channel partners in foreign jurisdictions.

Our existing and future levels of indebtedness could adversely affect our financial health, ability to obtain financing in the future, ability to react to changes in our business and ability to fulfill our obligations under such indebtedness.

As of March 31, 2023, in addition to our accounts payable, we had aggregate outstanding indebtedness of $5.9 million compared to $4.7 million for the year ended March 31, 2022. This level of indebtedness could:

- Make it more difficult for us to satisfy our obligations with respect to our outstanding notes and other indebtedness, resulting in possible defaults on and acceleration of such indebtedness.
- Require us to dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our indebtedness, thereby reducing the availability of such cash flows to fund working capital, acquisitions, capital expenditures and other general corporate purposes.
- Limit our ability to obtain additional financing for working capital, acquisitions, capital expenditures, debt service requirements and other general corporate purposes.
- Limit our ability to refinance indebtedness or cause the associated costs of such refinancing to increase.
- Increase our vulnerability to general adverse economic and industry conditions, including interest rate fluctuations (because our borrowings are at variable rates of interest); and
- Place us at a competitive disadvantage compared to our competitors with proportionately less debt or comparable debt at more favorable interest rates which, as a result, may be better positioned to withstand economic downturns.

Our auditors have indicated doubt about our ability to continue as a going concern.

As of March 31, 2023, the Company had $0.6 million in cash, accumulated deficit of $112.6 million and cash flow used in operations of $13.5 million for the fiscal year then ended. The Company has incurred and expects to continue to incur significant costs in pursuit of its expansion and development plans. These conditions raise doubt about the Company's ability to continue as a going concern and accordingly our auditors have included a going concern opinion in our annual report. Management has taken certain action and continues to implement changes designed to improve the Company's financial results and operating cash flows. The actions involve certain cost-saving initiatives and growing strategies, including (a) engage in very limited activities without incurring any liabilities that must be satisfied in cash; and (b) offer noncash consideration and seek for equity lines as a means of financing its operations. Additionally, the Company's plan includes certain scheduled research and development activities and related clinical trials which may be deferred as needed. If the Company is unable to obtain revenue producing contracts or financing or if the revenue or financing it does obtain is insufficient to cover any operating losses it may incur, it may substantially curtail its operations or seek other business opportunities through strategic alliances, acquisitions or other arrangements that may dilute the interests of existing stockholders.

Risks Related to Our Industry

The industry in which we operate is highly competitive and subject to rapid technological change. If our competitors are better able to develop and market products that are safer, more effective, less costly, easier to use, or are otherwise more attractive, we may be unable to compete effectively with other companies.

The medical technology industry is characterized by intense competition and rapid technological change, and we will face competition on the basis of product features, clinical outcomes, price, services and other factors. Competitors may include large medical device and other companies, some of which have significantly greater financial and marketing resources than we do, and firms that are more specialized than we are with respect to particular markets. Our competition may respond more quickly to new or emerging technologies, undertake more extensive marketing campaigns, have greater financial, marketing and other resources than ours or may be more successful in attracting potential customers, employees and strategic partners.

Our competitive position will depend on multiple, complex factors, including our ability to achieve regulatory clearance and market acceptance for our products, develop new products, implement production and marketing plans, secure regulatory approvals for products under development and protect our intellectual property. In some instances, competitors may also offer, or may attempt to develop, alternative systems that may be delivered without a medical device or a medical device superior to ours. The development of new or improved products, processes or technologies by other companies may render our products or proposed products obsolete or less competitive. The entry into the market of manufacturers located in low-cost manufacturing locations may also create pricing pressure, particularly in developing markets. Our future success depends, among other things, upon our ability to compete effectively against current technology, as well as to respond effectively to technological advances or changing regulatory requirements, and upon our ability to successfully implement our marketing strategies and execute our research and development plan. Our research and development efforts are aimed, in part, at solving increasingly complex problems, as well as creating new technologies, and we do not expect that all of our projects will be successful. If our research and development efforts are unsuccessful, our future results of operations could be materially harmed.

We face competition from other medical device companies that focus on similar markets.

We face competition from other companies that have longer operating histories and may have greater name recognition and substantially greater financial, technical and marketing resources than us. Many of these companies also have FDA or other applicable governmental approval to market and sell their products, and more extensive customer bases, broader customer relationships and broader industry alliances than us, including relationships with many of our potential customers. Increased competition from any of these sources could result in our failure to achieve and maintain an adequate level of customers and market share to support the cost of our operations.

Unsuccessful clinical or other trials or procedures relating to products under development could have a material adverse effect on our prospects.

The regulatory approval process for new products and new indications for existing products requires extensive clinical trials and procedures, including early clinical experiences and regulatory studies. Unfavorable or inconsistent clinical data from current or future clinical trials or procedures conducted by us, our competitors, or third parties, or perceptions regarding this clinical data, could adversely affect our ability to obtain necessary approvals and the market's view of our future prospects. Such clinical trials and procedures are inherently uncertain and there can be no assurance that these trials or procedures will be completed in a timely or cost-effective manner or result in a commercially viable product. Failure to successfully complete these trials or procedures in a timely and cost-effective manner could have a material adverse effect on our prospects. Clinical trials or procedures may experience significant setbacks even after earlier trials have shown promising results. Further, preliminary results from clinical trials or procedures may be contradicted by subsequent clinical analysis. In addition, results from our clinical trials or procedures may not be supported by actual long-term studies or clinical experience. If preliminary clinical results are later contradicted, or if initial results cannot be supported by actual long-term studies or clinical experience, our business could be adversely affected. Clinical trials or procedures may be suspended or terminated by us, the FDA or other regulatory authorities at any time if it is believed that the trial participants face unacceptable health risks.

Intellectual property litigation and infringement claims could cause us to incur significant expenses or prevent us from selling certain of our products.

The medical device industry in which we operate is characterized by extensive intellectual property litigation and, from time to time, we might be the subject of claims by third parties of potential infringement or misappropriation. Regardless of outcome, such claims are expensive to defend and divert the time and effort of our management and operating personnel from other business issues. A successful claim or claims of patent or other intellectual property infringement against us could result in our payment of significant monetary damages and/or royalty payments, or it could negatively impact our ability to sell current or future products in the affected category and could have a material adverse effect on business, cash flows, financial condition or results of operations.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

We plan on relying on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We will seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We will seek to protect our confidential proprietary information, in part, by entering into confidentiality and invention or intellectual property assignment agreements with our employees and consultants. Moreover, to the extent we enter into such agreements, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed. In general, any loss of trade secret protection or other unpatented proprietary rights could harm our business, results of operations and financial condition.

If we are unable to protect our proprietary rights, or if we infringe on the proprietary rights of others, our competitiveness and business prospects may be materially damaged.

We have filed for one industrial design patent in Canada and in the U.S. We may continue to seek patent protection for our designs and may seek patent protection for our proprietary technology if warranted. Seeking patent protection is a lengthy and costly process, and there can be no assurance that patents will be issued from any pending applications, or that any claims allowed from existing or pending patents will be sufficiently broad or strong to protect our designs or our proprietary technology. There is also no guarantee that any patents we hold will not be challenged, invalidated or circumvented, or that the patent rights granted will provide competitive advantages to us. Our competitors have developed and may continue to develop and obtain patents for technologies that are similar or superior to our technologies. In addition, the laws of foreign jurisdictions in which we develop, manufacture or sell our products may not protect our intellectual property rights to the same extent, as do the laws of Canada or the United States.

Adverse outcomes in current or future legal disputes regarding patent and other intellectual property rights could result in the loss of our intellectual property rights, subject us to significant liabilities to third parties, require us to seek licenses from third parties on terms that may not be reasonable or favorable to us, prevent us from manufacturing, importing or selling our products, or compel us to redesign our products to avoid infringing third parties' intellectual property. As a result, we may be required to incur substantial costs to prosecute, enforce or defend our intellectual property rights if they are challenged. Any of these circumstances could have a material adverse effect on our business, financial condition and resources or results of operations.

Dependence on our proprietary rights and failing to protect such rights or to be successful in litigation related to such rights may result in our payment of significant monetary damages or impact offerings in our product portfolios.

Our long-term success largely depends on our ability to market technologically competitive products. If we fail to obtain or maintain adequate intellectual property protection, we may not be able to prevent third parties from using our proprietary technologies or may lose access to technologies critical to our products. Also, our currently pending industrial design patent or any future patents applications may not result in issued patents, and issued patents are subject to claims concerning priority, scope and other issues.

Furthermore, to the extent we do not file applications for patents domestically or internationally, we may not be able to prevent third parties from using our proprietary technologies or may lose access to technologies critical to our products in other countries.

Enforcement of federal and state laws regarding privacy and security of patient information may adversely affect our business, financial condition or operations.

The use and disclosure of certain health care information by health care providers and their business associates have come under increasing public scrutiny. Recent federal standards under the Health Insurance Portability and Accountability Act of 1996, or HIPAA, establish rules concerning how individually identifiable health information may be used, disclosed and protected. Historically, state law has governed confidentiality issues, and HIPAA preserves these laws to the extent they are more protective of a patient's privacy or provide the patient with more access to his or her health information. As a result of the implementation of the HIPAA regulations, many states are considering revisions to their existing laws and regulations that may or may not be more stringent or burdensome than the federal HIPAA provisions. We must operate our business in a manner that complies with all applicable laws, both federal and state, and that does not jeopardize the ability of our customers to comply with all applicable laws. We believe that our operations are consistent with these legal standards. Nevertheless, these laws and regulations present risks for health care providers and their business associates that provide services to patients in multiple states. Because these laws and regulations are recent, and few have been interpreted by government regulators or courts, our interpretations of these laws and regulations may be incorrect. If a challenge to our activities is successful, it could have an adverse effect on our operations, may require us to forego relationships with customers in certain states and may restrict the territory available to us to expand our business. In addition, even if our interpretations of HIPAA and other federal and state laws and regulations are correct, we could be held liable for unauthorized uses or disclosures of patient information as a result of inadequate systems and controls to protect this information or as a result of the theft of information by unauthorized computer programmers who penetrate our network security. Enforcement of these laws against us could have a material adverse effect on our business, financial condition and results of operations.

We may become subject, directly or indirectly, to federal and state health care fraud and abuse laws and regulations and if we are unable to fully comply with such laws, the Company could face substantial penalties.

Although not affected at this time, our operations may in the future become directly or indirectly affected by various broad state and federal health care fraud and abuse laws, including the Federal Healthcare Programs' Anti-Kickback Statute and the Stark law, which among other things, prohibits a physician from referring Medicare and Medicaid patients to an entity with which the physician has a financial relationship, subject to certain exceptions. If our future operations are found to be in violation of these laws, we or our officers may be subject to civil or criminal penalties, including large monetary penalties, damages, fines, imprisonment and exclusion from Medicare and Medicaid program participation. If enforcement action were to occur, our business and results of operations could be adversely affected.

We may be subject to federal and state false claims laws which impose substantial penalties.

Many of the physicians and patients whom we expect to use our services will file claims for reimbursement with government programs such as Medicare and Medicaid. As a result, we may be subject to the federal False Claims Act if we knowingly "cause" the filing of false claims. Violations may result in substantial civil penalties, including treble damages. The federal False Claims Act also contains "whistleblower" or "qui tam" provisions that allow private individuals to bring actions on behalf of the government alleging that the defendant has defrauded the government. In recent years, the number of suits brought in the medical industry by private individuals has increased dramatically. Various states have enacted laws modeled after the federal False Claims Act, including "qui tam" provisions, and some of these laws apply to claims filed with commercial insurers. We are unable to predict whether we could be subject to actions under the federal False Claims Act, or the impact of such actions. However, the costs of defending claims under the False Claims Act, as well as sanctions imposed under the False Claims Act, could adversely affect our results of operations.

Changes in the health care industry or tort reform could reduce the number of arrhythmia monitoring solutions ordered by physicians, which could result in a decline in the demand for our planned solutions, pricing pressure and decreased revenue.

Changes in the health care industry directed at controlling health care costs or perceived over-utilization of arrhythmia monitoring solutions could reduce the volume of solutions ordered by physicians. If more health care cost controls are broadly instituted throughout the health care industry, the volume of cardiac monitoring solutions could decrease, resulting in pricing pressure and declining demand for our planned services, which could harm our operating results. In addition, it has been suggested that some physicians order arrhythmia monitoring solutions, even when the services may have limited clinical utility, primarily to establish a record for defense in the event of a claim of medical malpractice against the physician. Legal changes increasing the difficulty of initiating medical malpractice cases, known as tort reform, could reduce the amount of our services prescribed as physicians respond to reduced risks of litigation, which could harm our operating results.

Risks Related to Our Securities and Other Risks

If we fail to comply with the continuing listing standards of the Nasdaq, our common stock could be delisted from the exchange.

On January 20, 2023, the Company received a letter from Nasdaq informing it that although the Company's common stock has not regained compliance with the minimum $1.00 bid price per share requirement, the Staff has determined that the Company is eligible for an additional 180 calendar day period, or until July 19, 2023, to regain compliance. The Staff's determination was based on the Company meeting the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on the Capital Market with the exception of the bid price requirement, and the Company's written notice of its intention to cure the deficiency during the second compliance period by effecting a reverse stock split (the "Reverse Stock Split), if necessary.

If at any time before July 19, 2023, the bid price of the Company's common stock closes at or above $1.00 per share for a minimum of, subject to the Staff's discretion, 10 consecutive business days, Nasdaq will provide written notification that the Company has achieved compliance with the Minimum Bid Price Requirement.

The Company will continue to monitor the closing bid price of its Common Stock and will consider its available options to resolve the deficiency and regain compliance with the Minimum Bid Price Requirement within the allotted compliance period. If the Company does not regain compliance within the allotted compliance period, Nasdaq will provide notice that the Company's Common Stock will be subject to delisting. The Company would then be entitled to appeal that determination to a Nasdaq hearings panel. There can be no assurance that the Company will regain compliance with the Minimum Bid Price Requirement.

If the Company fails to regain compliance with Nasdaq's Listing Rules, we could be subject to suspension and delisting proceedings. If our securities lose their status on The NASDAQ Capital Market, our securities will likely trade in the over-the-counter market. If our securities were to trade on the over-the-counter market, selling our securities could be more difficult because smaller quantities of securities would likely be bought and sold, transactions could be delayed, and security analysts' coverage of us may be reduced. In addition, in the event our securities are delisted, broker-dealers have certain regulatory burdens imposed upon them, which may discourage broker-dealers from effecting transactions in our securities, further limiting the liquidity of our securities. These factors could result in lower prices and larger spreads in the bid and ask prices for our securities. Such delisting from The NASDAQ Capital Market and continued or further declines in our share price could also greatly impair our ability to raise additional necessary capital through equity or debt financing and could significantly increase the ownership dilution to shareholders caused by our issuing equity in financing or other transactions.

A Reverse Stock Split could result in a significant devaluation of the Company's market capitalization and trading price of the Common Stock, and we cannot assure you that a Reverse Stock Split will increase our stock price and have the desired effect of increasing the market price of the Common Stock such that the market price of our Common Stock meets Nasdaq's Minimum Bid Price Requirement.

The Company may effect a reverse stock split (the "Reverse Stock Split") to regain compliance with the Minimum Bid Price Requirement. The Company's Board expects that a Reverse Stock Split of the outstanding Common Stock will increase the market price of the Common Stock. However, the Company cannot be certain whether the Reverse Stock Split would lead to a sustained increase in the trading price or the trading market for the Common Stock. The history of similar stock split combinations for companies in like circumstances is varied. There is no assurance that:

● the market price per share of the Common Stock after the Reverse Stock Split will rise in proportion to the reduction in the number of pre-split shares of Common Stock outstanding before the Reverse Stock Split;

● the Reverse Stock Split will result in a per share price that will attract brokers and investors, including institutional investors, who do not trade in lower priced securities;

● the Reverse Stock Split will result in a per share price that will increase the Company's ability to attract and retain employees and other service providers;

● the market price per post-split share will be sufficient to satisfy the Minimum Bid Price Requirement and

● the Reverse Stock Split will increase the trading market for the common Stock, particularly if the stock price does not increase as a result of the reduction in the number of shares of Common Stock available in the public market.

The market price of the Common Stock will also be based on the Company's performance and other factors, some of which are unrelated to the number of shares outstanding. If the Reverse Stock Split is consummated and the trading price of the Common Stock declines, the percentage decline as an absolute number and as a percentage of the Company's overall market capitalization may be greater than what would occur in the absence of the Reverse Stock Split. Furthermore, the liquidity of the Common Stock could be adversely affected by the reduced number of shares that would be outstanding after the Reverse Stock Split and this could have an adverse effect on the price of the Common Stock. If the market price of the shares of Common Stock declines subsequent to the effectiveness of the Reverse Stock Split, this will detrimentally impact the Company's market capitalization and the market value of the Company's public float.

There is a limited existing market for our common stock and we do not know if a more liquid market for our common stock will develop to provide you with adequate liquidity.

Until August 25, 2021, our common stock was quoted on the OTCQB. As of August 26,, 2021, our common stock began trading on the Nasdaq Capital Market. We cannot assure you that a more active trading market for our common stock will develop or if it does develop, that it will be maintained. You may not be able to sell your securities quickly or at the market price if trading in our securities is not active. In the absence of an active public trading market:

- you may not be able to resell your securities at or above the public offering price;
- the market price of our common stock may experience more price volatility; and
- there may be less efficiency in carrying out your purchase and sale orders.

The market price of our common stock may be volatile.

The market price for our common stock may be volatile and subject to wide fluctuations in response to factors including the following:

- Our ability to successfully bring any of our proposed or planned products to market;
- Actual or anticipated fluctuations in our quarterly or annual operating results;
- Changes in financial or operational estimates or projections;
- Conditions in markets generally;
- Changes in the economic performance or market valuations of companies similar to ours;
- Announcements by us or our competitors of new products, acquisitions, strategic partnerships, joint ventures or capital commitments;
- Our intellectual property position; and
- General economic or political conditions in the United States or elsewhere.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of shares of our common stock.

There may be a significant number of shares of common stock eligible for sale, which could depress the market price of such stock.

We have 51,047,865 outstanding shares as of June 29, 2023, of which [28,460,275] are unrestricted shares of common stock, such that a large number of shares of our common stock could be made available for sale in the public market, which could harm the market price of the stock. We also have 1,466,718 Exchangeable Shares, directly exchangeable into an equivalent number of shares of common stock, which could be exchanged and made available for sale in public markets,

Our largest stockholder will substantially influence our Company for the foreseeable future, including the outcome of matters requiring shareholder approval and such control may prevent you and other stockholders from influencing significant corporate decisions and may result in conflicts of interest that could cause the Company's stock price to decline.

Mr. Al-Siddiq, our chief executive officer and a member of our board of directors, beneficially owns approximately 15.1% of our outstanding shares of common stock and common stock underlying the Exchangeable Shares. As a result, coupled with his board seat, he will have the ability to influence the election of our directors and the outcome of corporate actions requiring shareholder approval, such as: (i) a merger or a sale of our Company, (ii) a sale of all or substantially all of our assets, and (iii) amendments to our articles of incorporation and bylaws. This concentration of voting power and control could have a significant effect in delaying, deferring or preventing an action that might otherwise be beneficial to our other shareholders and be disadvantageous to our shareholders with interests different from those entities and individuals. Mr. Al-Siddiq also has significant control over our business, policies and affairs as an executive officer or director of our Company. He may also exert influence in delaying or preventing a change in control of the Company, even if such change in control would benefit the other stockholders of the Company. In addition, the significant concentration of stock ownership may adversely affect the market value of the Company's common stock due to investors' perception that conflicts of interest may exist or arise.

Failure to maintain effective internal control over our financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act") could cause our financial reports to be inaccurate.

We are required pursuant to Section 404 of the Sarbanes-Oxley Act to maintain internal control over financial reporting and to assess and report on the effectiveness of those controls. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Although we prepare our financial statements in accordance with accounting principles generally accepted in the United States, our internal accounting controls may not meet all standards applicable to companies with publicly traded securities. If we fail to implement any required improvements to our disclosure controls and procedures, we may be obligated to report control deficiencies and our independent registered public accounting firm may not be able to certify the effectiveness of our internal controls over financial reporting. In either case, we could become subject to regulatory sanction or investigation. Further, these outcomes could damage investor confidence in the accuracy and reliability of our financial statements.

Our management has concluded that our internal controls over financial reporting were, and continue to be, effective, as of March 31, 2023. If we are not able to maintain effective internal control over financial reporting, our financial statements, including related disclosures, may be inaccurate, which could have a material adverse effect on our business.

Our issuance of additional common stock or preferred stock may cause our common stock price to decline, which may negatively impact your investment.

Issuances of a substantial number of additional shares of our common or preferred stock, or the perception that such issuances could occur, may cause prevailing market prices for our common stock to decline. In addition, our board of directors is authorized to issue additional series of shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of shares of preferred stock that may be issued, including voting rights, conversion rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue cumulative preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the market price of our common stock could decrease.

Anti-takeover provisions in the Company's charter and bylaws may prevent or frustrate attempts by stockholders to change the board of directors or current management and could make a third-party acquisition of the Company difficult.

The Company's certificate of incorporation and bylaws contain provisions that may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. For example, our Certificate of Incorporation permits the Board of Directors without stockholder approval to issue up to 10,000,000 shares of preferred stock (20,000 of these shares have been designated as Series A Preferred, of which 6,305 are outstanding, and one special voting preferred share is designated and outstanding) and to fix the designation, power, preferences, and rights of the shares and preferred stock. Furthermore, the Board of Directors has the ability to increase the size of the Board and fill newly created vacancies without stockholder approval. These provisions could limit the price that investors might be willing to pay in the future for shares of the Company's common stock.

Our common stock could become subject to the SEC's penny stock rules and accordingly, broker-dealers may experience difficulty in completing customer transactions and trading activity in our securities may be adversely affected.

The SEC has adopted regulations, which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. The market price of our common stock is less than $5.00 per share and therefore would be a "penny stock" according to SEC rules, unless we are listed on a national securities exchange. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

- Make a special written suitability determination for the purchaser;

- Receive the purchaser's prior written agreement to the transaction;

- Provide the purchaser with risk disclosure documents which identify certain risks associated with investing in "penny stocks" and which describe the market for these "penny stocks" as well as a purchaser's legal remedies; and

- Obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before a transaction in a "penny stock" can be completed.

If our common stock became subject to these rules, broker-dealers may find it difficult to effectuate customer transactions and trading activity in our securities may be adversely affected. As a result, the market price of our securities may be depressed, and you may find it more difficult to sell your securities.

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock.

We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future and any return on investment may be limited to the value of our common stock. We plan to retain any future earning to finance growth.

Risks Related to Intellectual Property

We have no utility patent protection, and have only limited design patent protection and rely on unregistered copyright and trade secret protection, if we are unable to obtain and maintain patent protection for our products, our competitors could develop and commercialize products and technology similar or identical to ours, and our ability to successfully commercialize our existing products and any products we may develop, and our technology may be adversely affected.

Any failure to obtain or maintain sufficient intellectual property protection with respect to our current and planned products could have a material adverse effect on our business, financial condition, and results of operations.

We rely on trade secret protection to protect proprietary know-how that may not be patentable or that we elect not to patent, processes for which patents may be difficult to obtain or enforce, and any other elements of our products and services that involve proprietary know-how, information or technology that is not covered by patents. However, trade secrets can also be difficult to protect. If the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating any trade secrets. Misappropriation or unauthorized disclosure of our trade secrets could significantly affect our competitive position and may have a material adverse effect on our business. Furthermore, trade secret protection does not prevent competitors from independently developing similar technology. To the extent we also rely on copyright protection, it, too, does not prevent competitors from independently developing similar technology.

Even if we were to obtain additional patent protection, such patents may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Any patents that we own may be challenged, narrowed, circumvented, or invalidated by third parties. Consequently, we do not know whether our products will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our intellectual property by developing similar or alternative technologies or products in a non-infringing manner which could materially adversely affect our business, financial condition, results of operations and prospects.

The Company has made and will continue to make decisions regarding what patents and trademarks and other intellectual property to pursue and maintain in is business judgment balanced against the cost of obtaining and maintaining that IP.

We may not be able to protect our intellectual property and proprietary rights throughout the world.

Third parties may attempt to commercialize competitive products or services in foreign countries where we do not have any patents or patent applications where legal recourse may be limited. This may have a significant commercial impact on our foreign business operations.

We may become involved in intellectual property litigation either due to claims by others that we are infringing their intellectual property rights or due to our own assertions that others are infringing upon our intellectual property rights.

We have not done any investigation of and thus cannot provide assurance that our products or methods do not infringe the patents or other intellectual property rights of third parties.

If our business is successful, the possibility may increase that others will assert infringement claims against us.

Infringement and other intellectual property claims and proceedings brought against us, whether successful or not, could result in substantial costs and harm to our reputation. Such claims and proceedings can also distract and divert management and key personnel from other tasks important to the success of the business. We cannot be certain that we will successfully defend against allegations of infringement of patents and intellectual property rights of others. In the event that we become subject to a patent infringement or other intellectual property lawsuit and if the other party's patents or other intellectual property were upheld as valid and enforceable and we were found to infringe the other party's patents or violate the terms of a license to which we are a party, we could be required to do one or more of the following:

- cease selling or using any of our products that incorporate the asserted intellectual property, which would adversely affect our revenue;
- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all, and which could reduce profitability; and
- redesign or rename, in the case of trademark claims, our products to avoid violating or infringing the intellectual property rights of third parties, which may not be possible and could be costly and time-consuming if it is possible to do so.

Third-party claims of intellectual property infringement, misappropriation or other violation against may also prevent or delay the sale and marketing of our products.

We may also be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.

If we fail in defending any such claims, it could have a material adverse effect on our business, financial condition, and results of operations. Even if we are successful in defending against such claims, litigation could result in substantial costs to us and be a distraction to management.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected. None identified.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be violating or infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement or dilution claims brought by owners of other trademarks. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our principal executive office is located in leased premises of approximately 8,300 square feet at 203 Redwood Shores Parkway, Suite 600, Redwood City, California. We believe that these facilities are adequate for our needs, including providing the space and infrastructure to accommodate our development work based on our current operating plan. We do not own any real estate.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business.

We are not currently a party in any material legal proceeding or governmental regulatory proceeding nor are we currently aware of any pending or potential legal proceeding or governmental regulatory proceeding proposed to be initiated against us that would have a material adverse effect on us or our business.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for our Common Stock

Our common stock is traded on NASDAQ under the symbol "BTCY" since August 26, 2021. Prior to that, our common stock was quoted on the OTCQB marketplace under the symbol "BTCY". On March 31, 2023 the closing price of our common stock as reported on NASDAQ was $0.47 per share.

Shareholders of Record

As of June 29, 2023, an aggregate of 51,047,865 shares of the Company's common stock were issued and outstanding and owned by approximately 199 named shareholders of record. As of June 29, 2023, [1,466,718] Exchangeable Shares were also issued and outstanding and held by approximately 11 holders of record. The numbers of record holders do not include beneficial owners holding shares through nominee names.

As of June 29, 2023 there is also one share of the Special Voting Preferred Stock issued and outstanding, held by the Trustee, and [6,304] Series A preferred shares issued and outstanding and owned by 2 shareholders .

Dividends

Our Series A preferred shares earning dividends at the rate of 12% per annum. We do not anticipate paying any cash dividends on our common shares in the foreseeable future and we intend to retain all of our earnings, if any, to finance our growth and operations and to fund the expansion of our business. Payment of any dividends will be made in the discretion of our Board of Directors, after our taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for expansion. No dividends may be declared or paid on our common shares, unless a dividend, payable in the same consideration or manner, is simultaneously declared or paid, as the case may be, on our shares of preferred stock, if any.

Issuance of Securities

During the year ended March 31, 2023, the Company issued 761,038 common shares for conversion of convertible notes; the fair value of the shares issued was $843,922. The Company issued 132,202 common shares for services provided. The Company issued 2,240 common shares in connection with the exercise of options. In addition, the Company issued 71,792 shares in connection with exercise of warrants, out of to-be-issued shares from prior year commitment. The Company also issued 270,270 common shares in lieu of convertible note interest.

During the year ended March 31, 2023, 896 Series A preferred shares were repurchased by the Company for cash in the amount of $895,556.

The securities referenced above were offered and sold pursuant to Section 4(a)(2) of the Securities Act.

Securities Authorized for Issuance under Equity Compensation Plans

We adopted an equity incentive plan effective as of February 2, 2016 to attract and retain employees, directors and consultants. The equity incentive plan is administered by our Board of Directors which may determine, among other things, the (a) terms and conditions of any option or stock purchase right granted, including the exercise price and the vesting schedule, (b) persons who are to receive options and stock purchase rights and (c) the number of shares to be subject to each option and stock purchase right. The equity incentive plan may also be administered by a special committee, as determined by the Board of Directors.

The maximum aggregate number of shares of our common stock that may be issued under the equity incentive plan is 7,448,529, which, except as provided in the plan shall automatically increase on January 1 of each year for no more than 10 years, so the number of shares that may be issued is an amount no greater than 15% of our outstanding shares of common stock and Exchangeable Shares as of such January 1. The equity incentive plan provides for the grant of, among other awards, (i) "incentive" options (qualified under section 422 of the Internal Revenue Code of 1986, as amended) to our employees and (ii) non-statutory options and restricted stock to our employees, directors or consultants.

On March 31, 2023, we adopted the Company's 2023 Equity Incentive Plan (the "2023 Plan"). The 2023 Plan authorizes grants of equity-based and incentive cash awards to eligible participants designated by the 2023 Plan's administrator. The 2023 Plan will be administered by the Compensation Committee of the Company's Board of Directors (the "Board"). An aggregate of 5,000,000 shares of the Company's common stock (the "Common Stock"), plus the number of shares available for issuance under the Company's 2016 Equity Incentive Plan that had not been made subject to outstanding awards, were reserved for issuance under the 2023 Plan. Unless earlier terminated by the Board, the 2023 Plan will remain in effect until all Common Stock reserved for issuance has been issued, provided, however, that all awards shall be granted, if at all, on or before the day immediately preceding the tenth (10th) anniversary of the effective date of the 2023 Plan. We also adopted the Company's Employee Stock Purchase Plan (the "ESPP"). The ESPP allows eligible employees of the Company and the Company's designated subsidiaries the ability to purchase shares of the Company's Common Stock at a discount, subject to various limitations. Under the ESPP, employees will be granted the right to purchase Common Stock at a discount during a series of successive offerings, the duration and timing of which will be determined by the ESPP administrator (the "Administrator"). In no event can any single offering period be longer than 27 months. The purchase price (the "Purchase Price") for each offering will be established by the Administrator. With respect to an offering under Section 423 of the Internal Revenue Code of 1986 ("Section 423 Offering"), in no case may such Purchase Price be less than the lesser of (i) an amount equal to 85 percent of the fair market value on the commencement date, or (ii) an amount not less than 85 percent of the fair market value the on the purchase date. In the event of financial hardship, an employee may withdraw from the ESPP by providing a request at least 20 Business Days before the end of the offering period (the "Offering Period"). Otherwise, the employee will be deemed to have exercised the purchase right in full as of such exercise date. Upon exercise, the employee will purchase the number of whole shares that the participant's accumulated payroll deductions will buy at the Purchase Price. If an employee wants to decrease the rate of contribution, the employee must make a request at least 20 Business Days before the end of an Offering Period (or such earlier date as determined by the Administrator). An employee may not transfer any rights under the ESPP other than by will or the laws of descent and distribution. During a participant's lifetime, purchase rights under the ESPP shall be exercisable only by the participant.

There were no issuances from the new 2023 Plan as of March 31, 2023. Shown below is information as of March 31, 2023 with respect to the common stock of the Company that may be issued under its equity compensation plans, not including the new 2023 Plan, described above.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	7,587,909	$ 1.5487	248,402
Equity compensation plans not approved by security holders (2)			
Directors, Officers and Employees Stock Option Plan (3)			
Warrants granted to Directors and Officers (4)	1,666,055	$ 0.991	-

Total	**9,253,964**		**248,402**

(1) Represents the Company's 2016 Equity Incentive Plan and includes options to purchase an aggregate of 2,499,998 shares of our common stock granted to Mr. Al-Siddiq pursuant to his employment agreement at an exercise price of $2.20, and a grant to Mr. Al-Siddiq of 1,400,000 options in April 2020 which would vest quarterly over four years and have an exercise price of $1.06 per share, as well as additional two grants to Mr. Al-Siddiq of 350,000 options each on March 12, 2023, with an exercise price of $1.25 and $1.75 per share respectively for each grant, out of which 175,000 options from each grant (in total 350,000) had vested immediately upon grant date, and the remaining 175,000 options from each grant (in total 350,000) will vest on March 12, 2024. A further grant was made to Mr. Al-Siddiq of 1,000,000 options on March 12, 2023, with an exercise price of $0.81 per share, out of which 250,000 options had vested immediately upon grant and the rest will vest monthly over 36 months.

(2) At the time of the Acquisition Transaction on February 2, 2016, each (a) outstanding option granted or issued pursuant to iMedical's existing equity compensation plan was exchanged for approximately 1.197 economically equivalent replacement options with a corresponding adjustment to the exercise price and (b) outstanding warrant granted or issued pursuant to iMedical's equity compensation plans was adjusted so the holder receives approximately 1.197 shares of common stock with a corresponding adjustment to the exercise price. Does not include options granted to Mr. Al-Siddiq discussed in (1) above.

(3) On March 30, 2015, iMedical approved Directors, Officers and Employees Stock Option Plan, under which it authorized and issued 3,000,000 options. This plan was established to enable the Company to attract and retain the services of highly qualified and experience directors, officers, employees and consultants and to give such person an interest in the success of the Company. As of March 31, 2018, there were 137,500 outstanding options at an exercise price of $.0001 under this plan. These options represented the right to purchase 164,590 shares of the Company's common stock using the ratio of 1.1969:1. All of these options were exercised during the year ended March 31, 2019. No other grants will be made under this plan.

(4) This category relates to individuals who, at the time of grant, were not part of the Company's 2016 Equity Incentive Plan.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable to a smaller reporting company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("*MD&A*") covers information pertaining to the Company up to March 31, 2023 and should be read in conjunction with our financial statements and related notes of the Company as of and for the fiscal years ended March 31, 2023 and 2022 contained elsewhere in this Annual Report on Form 10-K. Except as otherwise noted, the financial information contained in this MD&A and in the financial statements has been prepared in accordance with accounting principles generally accepted in the United States of America. All amounts are expressed in U.S. dollars unless otherwise noted.*

Forward Looking Statements

Certain information contained in this MD&A and elsewhere in this Annual Report on Form 10-K includes "forward-looking statements." Statements which are not historical reflect our current expectations and projections about our future results, performance, liquidity, financial condition and results of operations, prospects and opportunities and are based upon information currently available to us and our management and their interpretation of what is believed to be significant factors affecting our existing and proposed business, including many assumptions regarding future events. Actual results, performance, liquidity, financial condition and results of operations, prospects and opportunities could differ materially and perhaps substantially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors, including those risks described in detail in the section entitled "Risk Factors" as well as elsewhere herein.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words “may,” “should,” “would,” “will,” “could,” “scheduled,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “seek,” or “project” or the negative of these words or other variations on these words or comparable terminology.

In light of these risks and uncertainties, and especially given the nature of our existing and proposed business, there can be no assurance that the forward-looking statements contained in this section and elsewhere in herein will in fact occur. Potential investors should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, there is no undertaking to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

Company Overview

Biotricity Inc. (the “Company”, “Biotricity”, “we”, “us”, “our”) is a medical technology company focused on biometric data monitoring solutions. Our aim is to deliver innovative, remote monitoring solutions to the medical, healthcare, and consumer markets, with a focus on diagnostic and post-diagnostic solutions for lifestyle and chronic illnesses. We approach the diagnostic side of remote patient monitoring by applying innovation within existing business models where reimbursement is established. We believe this approach reduces the risk associated with traditional medical device development and accelerates the path to revenue. In post-diagnostic markets, we intend to apply medical grade biometrics to enable consumers to self-manage, thereby driving patient compliance and reducing healthcare costs. We intend to first focus on a segment of the diagnostic mobile cardiac telemetry market, otherwise known as COM, while providing our chosen markets with the capability to also perform other cardiac studies.

We developed our FDA-cleared Bioflux® COM technology, comprised of a monitoring device and software components, which we made available to the market under limited release on April 6, 2018, in order to assess, establish and develop sales processes and market dynamics. The fiscal year ended March 31, 2021 marked the Company’s first year of expanded commercialization efforts, focused on sales growth and expansion. In 2021, the Company announced the initial launch of Bioheart, a direct-to-consumer heart monitor that offers the same continuous heart monitoring technology used by physicians. In addition to developing and receiving regulatory approval or clearance of other technologies that enhance its ecosystem, in 2022, the Company announced the launch of its Biotres Cardiac Monitoring Device (“Biotres”), a three-lead device for ECG and arrhythmia monitoring intended for lower risk patients, a much broader addressable market segment. We have since expanded our sales efforts to 31 states, with intention to expand further and compete in the broader US market using an insourcing business model. Our technology has a large potential total addressable market, which can include hospitals, clinics and physicians’ offices, as well as other Independent Diagnostic Testing Facilities (“IDTFs)”. We believe our solution’s insourcing model, which empowers physicians with state-of-the-art technology and charges technology service fees for its use, has the benefit of a reduced operating overhead for the Company, and enables a more efficient market penetration and distribution strategy.

We are a technology company focused on earning utilization-based recurring technology fee revenue. The Company’s ability to grow this type of revenue is predicated on the size and quality of its sales force and their ability to penetrate the market and place devices with clinically focused, repeat users of its cardiac study technology. The Company plans to grow its sales force in order to address new markets and achieve sales penetration in the markets currently served.

Full market release of the Bioflux COM device for commercialization launched in April 2019, after receiving its second and final required FDA clearance. To commence commercialization, we ordered device inventory from our FDA-approved manufacturer and hired a small, captive sales force, with deep experience in cardiac technology sales; we expanded on our limited market release, which identified potential anchor clients who could be early adopters of our technology. By increasing our sales force and geographic footprint, we had launched sales in 31 U.S. states by December 31, 2022.

On January 24, 2022 the Company announced that it has received the 510(k) FDA clearance of its Biotres patch solution, which is a novel product in the field of Holter monitoring. This three-lead technology can provide connected Holter monitoring that is designed to produce more accurate arrythmia detection than is typical of competing remote patient monitoring solutions. It is also foundational, since already developed improvements to this technology will follow which are not known by the Company to be currently available in the market, for clinical and consumer patch solution applications.

During 2021, the Company also announced that it received a 510(k) clearance from the FDA for its Bioflux Software II System, engineered to improve workflows and reduce estimated analysis time from 5 minutes to 30 seconds. ECG monitoring requires significant human oversight to review and interpret incoming patient data to discern actionable events for clinical intervention, highlighting the necessity of driving operational efficiency. This improvement in analysis time reduces operational costs and allows the company to continue to focus on excellent customer service and industry-leading response times to physicians and their at-risk patients. Additionally, these advances mean we can focus our resources on high-level operations and sales.

The Company has also developed or is developing several other ancillary technologies, which will require application for further FDA clearances, which the Company anticipates applying for within the next to twelve months. Among these are:

- advanced ECG analysis software that can analyze and synthesize patient ECG monitoring data with the purpose of distilling it down to the important information that requires clinical intervention, while reducing the amount of human intervention necessary in the process;

- the Bioflux® 2.0, which is the next generation of our award winning Bioflux®

During 2021 and the early part of 2022, the Company has also commercially launched its Bioheart technology, which is a consumer technology whose development was forged out of prior the development of the clinical technologies that are already part of the Company's technology ecosystem, the BioSphere. In recognition of its product development, in November 2022, the Company's Bioheart received recognition as one of Time Magazine's Best Inventions of 2022.

The COVID-19 pandemic has highlighted the importance of telemedicine and remote patient monitoring technologies. During the twelve months ended March 31, 2023, the Company continued to develop a telemedicine platform, with capabilities of real-time streaming of medical devices. Telemedicine offers patients the ability to communicate directly with their health care providers without the need of leaving their home. The introduction of a telemedicine solution is intended to align with the Company's Bioflux product and facilitate remote visits and remote prescriptions for cardiac diagnostics, but it will also serve as a means of establishing referral and other synergies across the network of doctors and patients that use the technologies we are building within the Biotricity ecosystem. The intention is to continue to provide improved care to patients that may otherwise elect not to go to medical facilities and continue to provide economic benefits and costs savings to healthcare service providers and payers that reimburse. The Company's goal is to position itself as an all-in-one cardiac diagnostic and disease management solution. The Company continues to grow its data set of billions of patient heartbeats, allowing it to further develop its predictive capabilities relative to atrial fibrillation and arrythmias.

In October 2022, the Company launched its Biocare Cardiac Disease Management Solution, after successfully piloting this technology in two facilities that provide cardiac care to more than 60,000 patients. This technology and other consumer technologies and applications such as the Biokit and Biocare have been developed to allow the Company to transform and use its strong cardiac footprint to expand into remote chronic care management solutions that will be part of the BioSphere. The technology puts actionable data into the hands of physicians in order to assist them in making effective treatment decisions quickly. During March 2023, the Company launched its patient-facing Biocare app on Android and Apple app stores. This further allows the Company to expand its footprint in providing full-cycle chronic care management solutions to its clinic and patient network.

The Company identified the importance of recent developments in accelerating its path to profitability, including the launch of important new products identified, which have a ready market through cross-selling to existing large customer clinics, and large new distribution partnerships that allow the Company to sell into large hospital networks. Additionally, in September 2022, the Company was awarded a NIH Grant from the National Heart, Blood, and Lung Institute for AI-Enabled real-time monitoring, and predictive analytics for stroke due to chronic kidney failure. This is a significant achievement that broadens our technology platform's disease space demographic. The grant focusses on Bioflux-AI as an innovative system for real-time monitoring and prediction of stroke episodes in chronic kidney disease patients. The Company received $238,703 under this award in March 2023, used to defray research, development and other associated costs.

Results of Operations

Biotricity incurred a net loss attributed to common stockholders of $19.5 million (loss per share of 37.6 cents) during the year ended March 31, 2023 as compared to $30.2 million (loss per share 66.5 cents) during the year ended March 31, 2022. From the Company's inception in 2009 through March 31, 2023, the Company has generated an accumulated deficit of $112.6 million. We devoted, and expect to continue to devote, significant resources in the areas of sales and marketing and research and development costs. We also expect to incur additional operating losses, as we build the infrastructure required to support higher sales volume.

Comparison of the Fiscal Years and the Three Months Periods Ended March 31, 2023 and 2022

The following table sets forth our results of operations for the fiscal years ended March 31, 2023 and 2022.

	For the years ended March 31,		
	2023	2022	Period to Period Change
Revenue	$ 9,639,057	$ 7,650,269	$ 1,988,788
Cost of revenue	4,197,024	3,080,116	1,116,908
Gross profit	5,442,033	4,570,153	871,880
Gross Margin	*56.5%*	*59.7%*	
Operating expenses:			
Selling, general and administrative	17,621,865	18,556,827	(940,504)
Research and development	3,229,879	2,744,587	485,292
Total operating expenses	20,851,744	21,301,414	(455,212)
Loss from operations	(15,409,711)	(16,731,261)	1,327,092
Interest expense	(1,839,159)	(1,289,112)	(555,589)
Accretion and amortization expenses	(743,459)	(9,286,023)	8,542,564
Change in fair value of derivative liabilities	(483,873)	(683,559)	199,686
Loss upon convertible promissory note conversion and redemption	(71,119)	(1,155,642)	1,084,523
Other (expense) income	(110,822)	15,120	(125,942)
Net loss before income taxes	(18,658,143)	(29,130,477)	10,472,334
Income taxes	—	—	—
Net loss before dividends	$ (18,658,143)	$ (29,130,477)	$ 10,472,334

The following table sets forth our results of operations for the three months ended March 31, 2023 and 2022.

	For the 3 months ended March 31,		
	2023	2022	Period to Period Change
Revenue	$ 2,742,435	$ 2,148,742	$ 593,693
Cost of revenue	1,207,734	708,105	499,629
Gross profit	1,534,709	1,440,637	94,064
Gross Margin	56.0%	67.0%	
Operating expenses:			
Selling, general and administrative	4,284,977	5,544,627	(1,259,650)
Research and development	703,329	629,453	73,876
Total operating expenses	4,988,306	6,174,080	(1,185,774)
Loss from operations	(3,453,605)	(4,733,443)	1,279,838
Interest expense	(665,350)	(380,288)	(285,062)
Accretion and amortization expenses	(559,956)	(451,295)	(108,661)
Change in fair value of derivative liabilities	(13,902)	(7,387)	(6,515)
Loss upon convertible promissory note conversion and redemption	14,418		14,418
Other (expense) income	6,167	(39,427)	45,594

Net loss before income taxes	(4,672,228)	(5,611,840)	939,612
Income taxes	—	—	—
Net loss before dividends	$ (4,672,228)	$ (5,611,840)	$ 939,612

Revenue and cost of revenue

By increasing our sales force and geographic footprint, we have launched sales in 31 U.S. states by March 31, 2023. The Company earned combined device sales and technology fee income totaling $9.6 million during the year ended March 31, 2023, a 26% increase over the $7.7 million earned in the preceding fiscal year. During three months ended March 31, 2023, the Company earned total sales of $2.7 million, a 28% increase over the $2.1 million sales earned in the corresponding quarter in prior year.

Our gross profit percentage was 56.7% during the year ended March 31, 2023 as compared to 59.7% during the comparable prior year period. The slight decrease period over period was due to a decrease in gross margin related to sales of device hardware as we continue providing discounts on sales of device hardware in order to increase volumes and expand our scale on subscription billings for the technology fees. The decrease in gross margin related to sales of device hardware was partially offset by increased margin on technology fee sales. We expect the gross margin related to technology fees to continue improving going forward as we achieve greater economy of scale on our technology services, including the cost of monitoring. Given consistent gross margin on technology fees of approximately 70%, and an evolving revenue mix where technology fees are expected to comprise an increasing proportion of revenue, we anticipate continued improvement in overall blended gross margin over time.

Gross profit percentage was 56% during three months ended March 31, 2023 as compared to 67% in the corresponding quarter in the prior year. This was mainly a result of service revenue of $500K that was earned in three months ended March 31, 2022, which had a gross margin significantly higher than the Company’s regular revenue streams.

Operating Expenses

Total operating expenses for the fiscal year ended March 31, 2023 were $20.9 million compared to $21.3 million for the fiscal year ended March 31, 2022. Total operating expenses for the three months ended March 31, 2022 were $5.0 million as compared $6.2 million for the three months ended March 31, 2022. See further explanations below.

Selling, General and administrative expenses

Our selling, general and administrative expenses for the fiscal year and three months ended March 31, 2023 decreased to $17.6 million and $4.3 million, respectively, compared to approximately $18.6 million and $5.5 million during the fiscal year and three months ended March 31, 2022. Despite our increased spending on sales efforts, our total selling, general and administrative expenses decreased by $0.9 million and $1.3 million, respectively, for the fiscal year and the fiscal quarter ended March 31, which was primarily due increased monitoring of spending efficiency over our fixed general and administrative expenses.

Research and development expenses

During the fiscal year and three months ended March 31, 2023 we recorded research and development expenses of $3.0 million and $0.7 million, respectively, compared to $2.7 million and $0.6 million incurred in the fiscal year and three months ended March 31, 2022. The research and development activity related to both existing and new products. The increase in research and development activity was a result of continuous development of new technologies for our ecosystem and product enhancements.

Interest Expense

During the fiscal year ended March 31, 2023 and March 31, 2022, we incurred interest expenses of $1.8 million and $1.3 million, respectively. During three months ended March 31, 2023 and March 31, 2022, we incurred interest expenses of $665 thousand and $380 thousand, respectively. The increase in interest expense corresponded to an increase in borrowings and market increases in interest rates period over period.

Accretion and amortization expenses

During the fiscal year ended March 31, 2023 and March 31, 2022, we incurred accretion expense of $0.7 million and $9.3 million, respectively. The decrease from the prior year period was primarily the result of full amortization of the debt discount related to Series A and Series B convertible notes by the end of the prior year. The amortization during the current year related primarily to the amortization of debt discount related to the Company's term loan, and a small amount of amortization of debt discount related to new convertible notes entered towards end of the current fiscal year. During the three months ended March 31, 2023 and March 31, 2022, we incurred accretion expenses of $560 thousand and $451 thousand, respectively. The slight increase was a result of debt discount amortization related to new convertible notes entered towards end of the current fiscal year.

Change in fair value of derivative liabilities

During the year ended March 31, 2023 and March 31, 2022, the Company recognized $484 thousand and $684 thousand, respectively, related to the change in fair value of derivative liabilities. During the three months ended March 31, 2023 and March 31, 2022, the Company recognized $14 thousand and $7 thousand, respectively, related to the change in fair value of derivative liabilities.

Loss upon convertible promissory notes conversion

During the years ended March 31, 2023 and 2022, we recorded a loss of $71 thousand and $1.2 million, respectively, related to the conversion of our convertible promissory notes. During the three months ended March 31, 2023 and 2022, we recorded a gain of $14 thousand and Nil, respectively, related to the conversion and redemption of our convertible promissory notes. The decrease of loss upon conversion and redemption is a result of decreased volumes of conversions during fiscal 2023 as compared to prior year.

Other (expense) income

During the year ended March 31, 2023, we recognized $111 thousand in net other expense, as compared to net other income of $15 thousand in the corresponding prior year period. The change in net other (expense) income is mainly a result of loss upon debt extinguishments during current year. During the three months ended March 31, 2023, we recognized $6 thousand in net other income, as compared to net other loss of $39 thousand in the corresponding prior year quarter.

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) and Adjusted EBITDA, which are presented below, are non-generally accepted accounting principles (non-GAAP) measures that we believe are useful to management, investors and other users of our financial information in evaluating operating profitability. EBITDA is calculated by adding back interest, taxes, depreciation and amortization expenses to net income.

Adjusted EBITDA is calculated by excluding from EBITDA the effect of the following non-operational items: equity in earnings and losses of unconsolidated businesses and other income and expense, net, as well as the effect of special items that related to one-time, non-recurring expenditures . We believe that this measure is useful to management, investors and other users of our financial information in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. Further, the exclusion of non-operational items and special items enables comparability to prior period performance and trend analysis. See notes in the table below for additional information regarding special items.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Biotricity's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. We believe that providing these non-GAAP measures in addition to the GAAP measures allows management, investors and other users of our financial information to more fully and accurately assess business performance. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be directly comparable to that of other companies.

EBITDA and Adjusted EBITDA

	12 months ended March 31, 2023	12 months ended March 31, 2022	3 months ended March 31, 2023	3 months ended March 31, 2022
	$	$	$	$
Net loss attributable to common stockholders	(19,533,683)	(30,219,454)	(4,857,438)	(5,981,731)
Add:				
Provision for income taxes	—	—	—	—
Interest expense	1,839,159	1,283,570	665,350	380,288
Depreciation expense	5,953	2,308	1,488	1,488
EBITDA	(17,688,571)	(28,933,576)	(4,190,600)	(5,599,955)
Add (Less)				
Accretion expense related to convertible note conversion (1)	—	4,485,143	—	—
Expense (gain) related to convertible note conversion and redemption (2)	71,119	1,155,642	(14,418)	—
Fair value change on derivative liabilities (3)	483,873	683,559	13,902	7,387
Uplisting transaction expense (4)	—	946,763	—	—
Other expense related to debt extinguishments (5)	126,158	—	—	—
Adjusted EBITDA	(17,007,421)	(21,662,469)	(4,191,116)	(5,592,568)
Weighted average number of common shares outstanding	51,957,841	45,449,720	52,394,387	50,650,735
Adjusted Loss per Share, Basic and Diluted	(0.327)	(0.477)	(0.080)	(0.110)

(1) This relates to one-time recognition of accretion expenses relate to the remaining debt discount balances on notes that were converted.

(2) This relates to one-time recognition of expenses reflecting the difference between the book value of the convertible note, relevant unamortized discounts and derivative liabilities derecognized upon conversion, and the fair value of shares that the notes were converted into, or cash paid upon redemption.
(3) Fair value changes on derivative liabilities corresponds to changes in the underlying stock value and thus does not reflect our day to day operations.
(4) These are one-time legal, professional and regulatory fees related to uplisting to Nasdaq during Q2 2022.
(5) This relates to the extinguishment loss attributed to convertible note and relevant investor warrant amendments.

Net Loss

As a result of the foregoing, the net loss attributable to common stockholders for the fiscal year ended March 31, 2023 was $19.5 million compared to a net loss of $30.2 million during the fiscal year ended March 31, 2022.

Translation Adjustment

Translation adjustment for the fiscal year ended March 31, 2023 was a gain of $616 thousand compared to a loss of $134 thousand for the fiscal year ended March 31, 2022. Translation adjustment was a loss of $10 thousand and $133 thousand, respectively, for the three months ended March 31, 2023 and March 31, 2022. This translation adjustment represents gains and losses that result from the translation of currency in the financial statements from our functional currency of Canadian dollars to the reporting currency in U.S. dollars over the course of the reporting period.

Global Economic Conditions

Generally, worldwide economic conditions remain uncertain, particularly due to the effects of the COVID-19 pandemic and increased inflation. The general economic and capital market conditions both in the U.S. and worldwide, have been volatile in the past and at times have adversely affected our access to capital and increased the cost of capital. The capital and credit markets may not be available to support future capital raising activity on favorable terms. If economic conditions decline, our future cost of equity or debt capital and access to the capital markets could be adversely affected.

The COVID-19 pandemic that began in late 2019 introduced significant volatility to the global economy, disrupted supply chains and had a widespread adverse effect on the financial markets. Additionally, our operating results could be materially impacted by changes in the overall macroeconomic environment and other economic factors. Changes in economic conditions, supply chain constraints, logistics challenges, labor shortages, the conflict in Ukraine, and steps taken by governments and central banks, particularly in response to the COVID-19 pandemic as well as other stimulus and spending programs, have led to higher inflation, which has led to an increase in costs and has caused changes in fiscal and monetary policy, including increased interest rates.

Liquidity and Capital Resources

On March 31, 2023, we had cash deposits in the aggregate of approximately $0.6 million. Management has noted the existence of substantial doubt about our ability to continue as a going concern. Additionally, our independent registered public accounting firm included an explanatory paragraph in the report on our financial statements as of and for the years ended March 31, 2023 and 2022, respectively, noting the existence of substantial doubt about our ability to continue as a going concern. Our existing cash deposits may not be sufficient to fund our operating expenses through at least twelve months from the date of this filing. To continue to fund operations, we will need to secure additional funding through public or private equity or debt financings, through collaborations or partnerships with other companies or other sources. We may not be able to raise additional capital on terms acceptable to us, or at all. Any failure to raise capital when needed could compromise our ability to execute our business plan. If we are unable to raise additional funds, or if our anticipated operating results are not achieved, we believe planned expenditure may need to be reduced in order to extend the time period that existing resources can fund our operations. If we are unable to obtain the necessary capital, it may have a material adverse effect on our operations and the development of our technology, or we may have to cease operations altogether.

The development and commercialization of our product offerings are subject to numerous uncertainties, and we could use our cash resources sooner than we expect. Additionally, the process of developing our products is costly, and the timing of progress can be subject to uncertainty; our ability to successfully transition to profitability may be dependent upon achieving further regulatory approvals and achieving a level of product sales adequate to support our cost structure. Though we are optimistic with respect to our revenue growth trajectory and our cost control initiatives, we cannot be certain that we will ever be profitable or generate positive cash flow from operating activities.

The Company is in commercialization mode, while continuing to pursue the development of its next generation COM product as well as new products that are being developed.

We generally require cash to:

- purchase devices that will be placed in the field for pilot projects and to produce revenue,
- launch sales initiatives,
- fund our operations and working capital requirements,
- develop and execute our product development and market introduction plans,
- fund research and development efforts, and
- pay any expense obligations as they come due.

The Company is in the early stages of commercializing its products. It is concurrently in development mode, operating a research and development program in order to develop an ecosystem of medical technologies, and, where required or deemed advisable, obtain regulatory approvals for, and commercialize other proposed products. The Company launched its first commercial sales program as part of a limited market release, during the year ended March 31, 2019, using an experienced professional in-house sales team. A full market release ensued during the year ended March 31, 2020. Management anticipates the Company will continue on its revenue growth trajectory and improve its liquidity through continued business development and after additional equity or debt capitalization of the Company. The Company has incurred recurring losses from operations, and as at March 31, 2023, has an accumulated deficit of $112.5 million. On August 30, 2021 the Company completed an underwritten public offering of its common stock that concurrently facilitated its listing on the Nasdaq Capital Market. On March 31, 2023, the Company has a working capital deficit of $6.4 million (March 31, 2022 – working capital surplus of $10.5 million). Prior to listing on the Nasdaq Capital Market, the Company had also filed a shelf Registration Statement on Form S-3 (No. 333-255544) with the Securities and Exchange Commission on April 27, 2021, which was declared effective on May 4, 2021. This facilitates better transactional preparedness when the Company seeks to issue equity or debt to potential investors, since it continues to allow the Company to offer its shares to investors only by means of a prospectus, including a prospectus supplement, which forms part of an effective registration statement.

The Company has developed and continues to pursue sources of funding that management believes will be sufficient to support the Company's operating plan and alleviate any substantial doubt as to its ability to meet its obligations at least for a period of one year from the date of these consolidated financial statements. During the fiscal year ended March 31, 2021, the Company closed a number of private placements offering of convertible notes, which have raised net cash proceeds of $11,375,690. During fiscal quarter ended June 30, 2021, the Company raised an additional $499,900 through government EIDL loan. During the fiscal quarter ended September 30, 2021, the Company raised total net proceeds of $14,545,805 through the underwritten public offering that was concurrent with its listing onto the Nasdaq Capital Markets. During the fiscal quarter ended December 31, 2021, the Company raised additional net proceeds of $11,756,563 through a term loan transaction (Note 6) and made repayment of the previously issued promissory notes and short-term loan. In connection with this loan, the Company and Lender also entered into a Guarantee and Collateral Agreement wherein the Company agreed to secure the Credit Agreement with all of the Company's assets. The Company and Lender also entered into an Intellectual Property Security Agreement dated December 21, 2021 wherein the Credit Agreement is also secured by the Company's right title and interest in the Company's Intellectual Property. During the fiscal year ended March 31, 2023, the Company raised short-term loans and promissory notes, net of repayments of $1,476,121 from various lenders. During the fiscal year ended March 31, 2023, the Company raised convertible notes, net of redemptions of $2,355,318 from various lenders.

As we proceed with the commercialization of the Bioflux, Biotres and Biocare products and continue their development, we expect to continue to devote significant resources on capital expenditures, as well as research and development costs and operations, marketing and sales expenditures.

We expect to require additional funds to further develop our business plan, including the continuous commercialization and expansion of the technologies that will form part of its BioSphere eco-system. Based on the current known facts and assumptions, we believe our existing cash and cash equivalents, access to funding sources, along with anticipated near-term debt and equity financings, will be sufficient to meet our needs for the next twelve months from the filing date of this report. We intend to seek and opportunistically acquire additional debt or equity capital to respond to business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, developing or acquiring new lines of business and enhancing our operating infrastructure. The terms of our future financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We may also seek additional funds through arrangements with collaborators or other third parties. There can be no assurance we will be able to raise this additional capital on acceptable terms, or at all. If we are unable to obtain additional funding on a timely basis, we may be required to modify our operating plan and otherwise curtail or slow the pace of development and commercialization of our proposed product lines.

The following is a summary of cash flows for each of the periods set forth below.

	For the Years Ended March 31,	
	2023	**2022**
Net cash used in operating activities	$ (13,547,935)	$ (15,163,384)
Net cash used in investing activities	—	(29,767)
Net cash provided by financing activities	2,001,603	25,168,230
Net (decrease) increase in cash	$ (11,546,332)	$ 9,975,079

Net Cash Used in Operating Activities

During the fiscal year ended March 31, 2023, we used cash in operating activities in the amount of $13.5 million compared to $15.2 million for the fiscal year ended March 31, 2022. For each of the fiscal years ended March 31, 2023 and March 31, 2022, the cash in operating activities was primarily due to selling expenses as well as research, product development, business development, marketing and general operations. The decrease in cash used reflects management's concerted effort to contain costs while increasing revenues, on the path of achieving break-even.

Net Cash Used in Investing Activities

Net cash used in investing activities was Nil and $30 thousand respectively in the fiscal years ended March 31, 2023 and March 31, 2022.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $2.0 million for the fiscal year ended March 31, 2023 compared to $25.2 million for the fiscal year ended March 31, 2022. The financing activities of fiscal 2022 reflected the concurrent capital raise that accompanied the Company's listing on the Nasdaq Capital Markets Exchange.

For the fiscal year ended March 31, 2023, the cash provided by financing activities was primarily from proceeds in connection with the issuance of convertible notes and loans, net of repayments, in the amount of $3.8 million. The financing proceeds were partially offset by the payment of preferred stock dividends in the amount of $0.9 million and by the redemption of preferred stock in the amount of $0.9 million.

For the fiscal year ended March 31, 2022, the cash provided by financing activities was primarily due to the issuance of shares from up listing of $14.5 million (net proceeds) and proceeds of $11.7 million from term loans, net of other financing and repayment activities.

Critical Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are expressed in United States Dollars. Significant accounting policies are summarized below:

Revenue Recognition

The Company adopted Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers" ("ASC 606") on April 1, 2018. In accordance with ASC 606, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services by applying the core principles – 1) identify the contract with a customer, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to performance obligations in the contract, and 5) recognize revenue as performance obligations are satisfied.

The Bioflux mobile cardiac telemetry device, a wearable device, is worn by patients for a monitoring period up to 30 days. The cardiac data that the device monitors and collects is curated and analyzed by the Company's proprietary algorithms and then securely communicated to a remote monitoring facility for electronic reporting and conveyance to the patient's prescribing physician or other certified cardiac medical professional. Revenues earned with respect to this device are comprised of device sales revenues and technology fee revenues (technology as a service). The device, together with its licensed software, is available for sale to the medical center or physician, who is responsible for the delivery of clinical diagnosis and therapy. The remote monitoring, data collection and reporting services performed by the technology culminate in a patient study that is generally billable when it is complete and is issued to the physician. In order to recognize revenue, management considers whether or not the following criteria are met: persuasive evidence of a commercial arrangement exists, and delivery has occurred or services have been rendered. For sales of devices, which are invoiced directly, additional revenue recognition criteria include that the price is fixed and determinable and collectability is reasonably assured; for device sales contracts with terms of more than one year, the Company recognizes any significant financing component as revenue over the contractual period using the effective interest method, and the associated interest income is reflected accordingly on the statement of operations and included in other income; for revenue that is earned based on customer usage of the proprietary software to render a patient's cardiac study, the Company recognizes revenue when the study ends based on a fixed billing rate. Costs associated with providing the services are recorded as the service is provided regardless of whether or when revenue is recognized.

The Company may also earn service-related revenue from contracts with other counterparties with which it consults. This contract work is separate and distinct from services provided to clinical customers, but may be with a reseller or other counterparties that are working to establish their operations in foreign jurisdictions or ancillary products or market segments in which the Company has expertise and may eventually conduct business.

The Company recognized the following forms of revenue for the fiscal years ended March 31, 2023 and 2022:

	2023	2022
	$	$
Technology fees	8,802,032	5,904,393
Device sales	827,035	995,876
Service-related and other revenue	-	750,000
	9,639,057	7,650,269

The Company recognized the following forms of revenue for the three months ended March 31, 2023 and 2022:

	2023	2022
	$	$
Technology fees	2,561,990	1,539,101
Device sales	180,444	109,641
Service-related and other revenue	-	500,000
	2,742,435	2,148,742

Inventory

Inventory is stated at the lower of cost and market value, cost being determined on a weighted average cost basis. Market value of our finished goods inventory is determined based on its estimated net realizable value, which is generally the selling price less normally predictable costs of disposal and transportation. The Company records write-downs of inventory that is obsolete or in excess of anticipated demand or market value based on consideration of product lifecycle stage, technology trends, product development plans and assumptions about future demand and market conditions. Actual demand may differ from forecasted demand, and such differences may have a material effect on recorded inventory values. Inventory write-downs are charged to cost of revenue and establish a new cost basis for the inventory.

Significant accounting estimates and assumptions

The preparation of the consolidated financial statements requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. The estimates and related assumptions are based on previous experiences and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounts that require estimates as the basis for determining the stated amounts include share-based compensation, impairment analysis and fair value of warrants, structured notes, convertible debt and conversion liabilities.

- Fair value of stock options

  The Company measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of such instruments, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the Black-Scholes option pricing model, including the expected life of the instrument, risk-free rate, volatility, and dividend yield.

- Fair value of warrants

In determining the fair value of the warrant issued for services and issue pursuant to financing transactions, the Company used the Black-Scholes option pricing model with the following assumptions: volatility rate, risk-free rate, and the remaining expected life of the warrants that are classified under equity.

- Fair value of derivative liabilities

In determining the fair values of the derivative liabilities from the conversion and redemption features, the Company used valuation models with the following assumptions: dividend yields, volatility, risk-free rate and the remaining expected life. Changes in those assumptions and inputs could in turn impact the fair value of the derivative liabilities and can have a material impact on the reported loss and comprehensive loss for the applicable reporting period.

- Functional currency

Determining the appropriate functional currencies for entities in the Company requires analysis of various factors, including the currencies and country-specific factors that mainly influence labor, materials, and other operating expenses.

- Useful life of property and equipment

The Company employs significant estimates to determine the estimated useful lives of property and equipment, considering industry trends such as technological advancements, past experience, expected use and review of asset useful lives. The Company makes estimates when determining depreciation methods, depreciation rates and asset useful lives, which requires considering industry trends and company-specific factors. The Company reviews depreciation methods, useful lives and residual values annually or when circumstances change and adjusts its depreciation methods and assumptions prospectively.

- Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a previous event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the expected future cash flows.

- Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events, which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

- Inventory obsolescence

Inventories are stated at the lower of cost and market value. Market value of our inventory, which is all purchased finished goods, is determined based on its estimated net realizable value, which is generally the selling price less normally predictable costs of disposal and transportation. The Company estimates net realizable value as the amount at which inventories are expected to be sold, taking into consideration fluctuations in retail prices less estimated costs necessary to make the sale. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining selling prices.

- Income and other taxes

The calculation of current and deferred income taxes requires the Company to make estimates and assumptions and to exercise judgment regarding the carrying values of assets and liabilities which are subject to accounting estimates inherent in those balances, the interpretation of income tax legislation across various jurisdictions, expectations about future operating results, the timing of reversal of temporary differences and possible audits of income tax filings by the tax authorities. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses.

When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences. Changes or differences in underlying estimates or assumptions may result in changes to the current or deferred income tax balances on the consolidated statements of financial position, a charge or credit to income tax expense included as part of net income (loss) and may result in cash payments or receipts. Judgment includes consideration of the Company's future cash requirements in its tax jurisdictions. All income, capital and commodity tax filings are subject to audits and reassessments. Changes in interpretations or judgments may result in a change in the Company's income, capital, or commodity tax provisions in the future. The amount of such a change cannot be reasonably estimated.

- Incremental borrowing rate for lease

The determination of the Company's lease obligation and right-of-use asset depends on certain assumptions, which include the selection of the discount rate. The discount rate is set by reference to the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's consolidated financial statements.

Earnings (Loss) Per Share

The Company has adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. Diluted earnings per share exclude all potentially dilutive shares if their effect is anti-dilutive. There were no potentially dilutive shares outstanding as at March 31, 2023 and 2022.

Cash

Cash includes cash on hand and balances with banks.

Foreign Currency Translation

The functional currency of the Company's Canadian-based subsidiary is the Canadian dollar and the US-based parent is the U.S. dollar. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All exchange gains or losses arising from translation of these foreign currency transactions are included in net income (loss) for the year. In translating the financial statements of the Company's Canadian subsidiaries from their functional currency into the Company's reporting currency of United States dollars, balance sheet accounts are translated using the closing exchange rate in effect at the balance sheet date and income and expense accounts are translated using an average exchange rate prevailing during the reporting period. Adjustments resulting from the translation, if any, are included in cumulative other comprehensive income (loss) in stockholders' equity. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Accounts Receivable

Accounts receivable consists of amounts due to the Company from medical facilities, which receive reimbursement from institutions and third-party government and commercial payors and their related patients, as a result of the Company's normal business activities. Accounts receivable is reported on the balance sheets net of an estimated allowance for doubtful accounts. The Company establishes an allowance for doubtful accounts for estimated uncollectible receivables based on historical experience, assessment of specific risk, review of outstanding invoices, and various assumptions and estimates that are believed to be reasonable under the circumstances, and recognizes the provision as a component of selling, general and administrative expenses. Uncollectible accounts are written off against the allowance after appropriate collection efforts have been exhausted and when it is deemed that a balance is uncollectible.

Fair Value of Financial Instruments

ASC 820 defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

● Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.

● Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.

● Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include cash, accounts receivable, deposits and other receivables, convertible promissory notes, and accounts payable and accrued liabilities. The Company's cash and derivative liabilities, which are carried at fair values, are classified as a Level 1 and Level 3, respectively. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred, and improvements and betterments are capitalized. Depreciation of property and equipment is provided using the straight-line method for substantially all assets with estimated lives as follow:

Office equipment	5 years
Leasehold improvement	5 years

Impairment for Long-Lived Assets

The Company applies the provisions of ASC Topic 360, Property, Plant, and Equipment, which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. ASC 360 requires impairment losses to be recorded on long-lived assets, including right-of-use assets, used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair values are reduced for the cost of disposal. Based on its review at March 31, 2023 and 2022, the Company believes there was no impairment of its long-lived assets.

Leases

On April 1, 2019, the Company adopted Accounting Standards Codification Topic 842, "Leases" ("ASC 842") to replace existing lease accounting guidance. This pronouncement is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet for most leases. Expenses associated with leases will continue to be recognized in a manner like previous accounting guidance. The Company adopted ASC 842 utilizing the transition practical expedient added by the Financial Accounting Standards Board ("FASB"), which eliminates the requirement that entities apply the new lease standard to the comparative periods presented in the year of adoption.

The Company is the lessee in a lease contract when the Company obtains the right to use the asset. Operating leases are included in the line items right-of-use asset, lease obligation, current, and lease obligation, long-term in the consolidated balance sheet. Right-of-use ("ROU") asset represents the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligations to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Leases with a lease term of 12 months or less at inception are not recorded on the consolidated balance sheet and are expensed on a straight-line basis over the lease term in our consolidated statement of income. The Company determines the lease term by agreement with lessor. As our lease does not provide an implicit interest rate, the Company uses the Company's incremental borrowing rate based on the information available at commencement date in determining the present value of future payments.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740. The Company provides for Federal and Provincial income taxes payable, as well as for those deferred because of the timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recoverable or settled. The effect of a change in tax rates is recognized as income or expense in the period of the change. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount that is more likely than not to be realized.

Research and Development

Research and development costs, which relate primarily to product and software development, are charged to operations as incurred. Under certain research and development arrangements with third parties, the Company may be required to make payments that are contingent on the achievement of specific developmental, regulatory and/or commercial milestones. Before a product receives regulatory approval, milestone payments made to third parties are expensed when the milestone is achieved**.** Milestone payments made to third parties after regulatory approval is received are capitalized and amortized over the estimated useful life of the approved product.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of personnel-related costs including stock-based compensation for personnel in functions not directly associated with research and development activities. Other significant costs include sales and marketing costs, investor relation and legal costs relating to corporate matters, professional fees for consultants assisting with business development and financial matters, and office and administrative expenses.

Stock Based Compensation

The Company accounts for share-based payments in accordance with the provision of ASC 718, which requires that all share-based payments issued to acquire goods or services, including grants of employee stock options, be recognized in the statement of operations based on their fair values, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Compensation expense related to share-based awards is recognized over the requisite service period, which is generally the vesting period.

The Company accounts for stock-based compensation awards issued to non-employees for services, as prescribed by ASC 718-10, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the guidelines in ASC 505-50. The Company issues compensatory shares for services including, but not limited to, executive, management, accounting, operations, corporate communication, financial and administrative consulting services.

Convertible Notes Payable and Derivative Instruments

The Company has adopted the provisions of ASU 2017-11 to account for the down round features of warrants issued with private placements effective as of April 1, 2017. In doing so, warrants with a down round feature previously treated as derivative liabilities in the consolidated balance sheet and measured at fair value are henceforth treated as equity, with no adjustment for changes in fair value at each reporting period. Previously, the Company accounted for conversion options embedded in convertible notes in accordance with ASC 815. ASC 815 generally requires companies to bifurcate conversion options embedded in convertible notes from their host instruments and to account for them as free-standing derivative financial instruments. ASC 815 provides for an exception to this rule when convertible notes, as host instruments, are deemed to be conventional, as defined by ASC 815-40. The Company accounts for convertible notes deemed conventional and conversion options embedded in non-conventional convertible notes which qualify as equity under ASC 815, in accordance with the provisions of ASC 470-20, which provides guidance on accounting for convertible securities with beneficial conversion features. Accordingly, the Company records, as a discount to convertible notes, the intrinsic value of such conversion options based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt.

Preferred Shares Extinguishments

The Company accounted for preferred stock redemptions and conversions in accordance to ASU-260-10-S99. For preferred stock redemptions and conversion, the difference between the fair value of consideration transferred to the holders of the preferred stock and the carrying amount of the preferred stock is accounted as deemed dividend distribution and subtracted from net income.

Recently Issued Accounting Pronouncements

Refer to "Note 3— Summary of Significant Accounting Policies" to our consolidated financial statements included in "Part I1, Item 8 – Financial Statements and Supplementary Data" in this Annual Report for a discussion of recently issued accounting pronouncements.

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and corresponding notes thereto called for by this item may be found beginning on page F-1 of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time communicated to the Company's management, including its Chief Executive Officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e). The Company's disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching the Company's desired disclosure control objectives. In designing periods specified in the SEC's rules and forms, and that such information is accumulated and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company's certifying officers have concluded that the Company's disclosure controls and procedures are effective in reaching that level of assurance.

At the end of the period being reported upon, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and principal financial officer concluded that our disclosure controls and procedures were effective to ensure that the material information required to be included in our Securities and Exchange Commission reports is accumulated and communicated to our management, including our principal executive and financial officer, recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms relating to the Company, based on the assessment and control of disclosure decisions currently performed by a small team. The Company plans to expand its management team and build a fulsome internal control framework required by a more complex entity.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Section 13a-15(f) of the Securities Exchange Act of 1934, as amended). Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in conformity with U.S. generally accepted accounting principles and include those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

As of March 31, 2023, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on the criteria established by COSO management concluded that the Company's internal control over financial reporting was effective as of March 31, 2023.

This Report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting as smaller reporting companies are not required to include such report and EGC's are exempt from this requirement entirely until they are no longer an EGC. Management's report is not subject to attestation by the Company's independent registered public accounting firm.

Limitations on the Effectiveness of Controls

Management has confidence in its internal controls and procedures. The Company's management believes that a control system, no matter how well designed and operated can provide only reasonable assurance and cannot provide absolute assurance that the objectives of the internal control system are met, and no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Further, the design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitation in all internal control systems, no evaluation of controls can provide absolute assurance that all control issuers and instances of fraud, if any, within the Company have been detected.

Changes in Internal Controls

There were no changes in the Company's internal controls over financial reporting that occurred during the fiscal year ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Internal control systems, no matter how well designed and operated, have inherent limitations. Therefore, even a system which is determined to be effective cannot provide absolute assurance that all control issues have been detected or prevented. Our systems of internal controls are designed to provide reasonable assurance with respect to financial statement preparation and presentation.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our executive officers and directors are as follows:

Name	Age	Position
Waqaas Al-Siddiq	38	President, Chief Executive Officer and Chairman of the Board of Directors
David A. Rosa	58	Director
Ron McClurg	64	Director
Chester White	58	Director
John Ayanoglou	57	Chief Financial Officer

Waqaas Al-Siddiq: President, Chief Executive Officer and Chairman of the Board of Directors. Waqaas Al-Siddiq is the founder of iMedical and has been its Chairman and Chief Executive Officer since inception in July 2014. Prior to that, from July 2010 through July 2014, he was the Chief Technology Officer of Sensor Mobility Inc., a Canadian private company engaged in research and development activities within the remote monitoring segment of preventative care and that was acquired by iMedical in August 2014. Mr. Al-Siddiq also provided consulting services with respect to technology strategy during this time. Mr. Al-Siddiq serves as a member of the Board of Directors as he is the founder of iMedical and his current executive position with the Company. We also believe that Mr. Al-Siddiq is qualified due to his experience as an entrepreneur and raising capital.

David Rosa: Director. Mr. Rosa has been a director of the Company since May 3, 2016. In addition, he is a director and Chairman of the board for Neuro Event Labs, a privately held company based in Finland that is developing a diagnostic epilepsy video technology. He currently also serves as the CEO and President of NeuroOne, a medical technology company, having served in various capacities since October 2016. He was the CEO and President of Sunshine Heart, a publicly-held early-stage medical device company, from October 2009 through November 2015. From 2008 to November 2009, Mr. Rosa served as CEO of Milksmart, a company that specializes in medical devices for animals. From 2004 to 2008, Mr. Rosa served as the Vice President of Global Marketing for Cardiac Surgery and Cardiology at St. Jude Medical. He is a member of the Board of Directors of QXMedical, a Montreal-based medical device company, and other privately-held companies. We believe Mr. Rosa is qualified to serve as a director due to his senior leadership experience in the medical device industry, and his expertise in market development, clinical affairs, commercialization and public and private financing. as well as his strong technical, strategic and global operating experience.

Ronald McClurg: Director. Mr. McClurg is a senior financial executive with over 30 years of experience leading the finance, administrative and IT functions in private and public companies. He has served as Chief Financial Officer of NeuroOne Medical Technologies Corp. (Nasdaq:NMTC) since 2021. . From 2003 to 2019, Mr. McClurg was the Vice President, Finance & Administration and Chief Financial Officer for Incisive Surgical, Inc. Prior to 2002, Mr. McClurg served as Chief Financial Officer of several other publicly-held companies. He serves on the Board of Governors and as Audit Committee Chair of Biomagnetic Sciences, LLC and as Audit Chair of Healthcare Triangle, Inc. (Nasdaq: HTCI). We believe that Mr. McClurg is qualified to serve as a director due to his extensive background in corporate finance.

Chester White: Director. Mr. White has 35 years investment management and financial advisory experience investing in and advising emerging growth technology companies in the technology segments including AI, Robotics, Genetics, Mobility, FinTech, MedTech, GreenTech, Internet/Cloud and EnablingTech. He is recognized as one of the top Wallstreet analysts covering the Internet and Cloud segment speaking at industry forums and public venues such as CNBC and CNN. From 1986 to 1996 he served as a VP of Investment at Paine Webber (acquired by UBS) and Dean Witter (acquire by Morgan Stanley). He began his institutional investment career as a sell side analyst in 1996 at LH Friend and SVP of emerging technology equity research at Wells Fargo. He went on to become an MD of Technology Investment Banking at MCF & Co. and Managing Director of Griffin Partners LLC. In 2014 he founded Helios Alpha Fund, LP, an emerging growth technology hedge fund focused on sustainability and innovation. Chet has an MBA from University of Southern California; B.S. in Finance, University of Maryland, Stanford / Coursera Machine Learning, Member of SF CFA Society.

John Ayanoglou: Chief Financial Officer. Mr. Ayanoglou has served as our Chief Financial Officer since 2017 and has served as Chief Financial Officer of four other companies during his career, three of which were publicly-listed. Mr. Ayanoglou currently serves as a director of DX Mortgage Investment Corporation (2019), Green Sky Labs (2020) and Omega Wealthguard (2020). From 2011 to 2017, Mr. Ayanoglou served as Executive Vice President of Build Capital. Prior to this, he served as Chief Financial Officer and Senior Vice President of Equitable Group Inc. (TSX: ETC) and its wholly owned subsidiary, Equitable Bank, Canada's 9th largest bank during the global banking crisis, from 2008 through 2011. Mr. Ayanoglou also served as CFO, Vice President and Corporate Secretary of Xceed Mortgage Corporation (TSX: XMC), from 2004 to 2008. He launched his career in financial services while providing advisory services to clients at PricewaterhousCoopers LLP and working for Scotiabank and TD Bank. He is a chartered accountant and a member of CPA Canada. He received his ICD.D designation from the Institute of Corporate Directors at the Rotman School of Business.

There are no family relationships among any of our current officers and directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires that our directors and executive officers and persons who beneficially own more than 10% of our common stock (referred to herein as the "reporting persons") file with the SEC various reports as to their ownership of and activities relating to our common stock. Such reporting persons are required by the SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based solely on our review of copies of the reports filed with the SEC and the written representations of our directors and executive officers, we believe that all reporting requirements for fiscal year 2021 were complied with by each person who at any time during the 2021 fiscal year was a director or an executive officer or held more than 10% of our common stock, except for the following: John Ayanoglou has yet to file Forms 4 reports related to the granting of warrants granted on various dates pursuant to the Company's compensation agreement to compensate him with 550,000 warrants with an average exercise price of $1.43. The Company expects that the aforementioned forms will be filed as soon as practicable following the filing of this Report on Form 10-K.

Board Diversity

The table below provides certain highlights of the diversity characteristics of our directors:

Board Diversity Matrix (As of June 29, 2023)

Total Number of Directors – 6

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors		4		
Part II: Demographic Background				
African American or Black		1		
Alaskan Native or Native American				
Asian		1		
Hispanic or Latinx				
Native Hawaiian or Pacific Islander				
White		3		
Two or More Races or Ethnicities				
LGBTQ+				
Did Not Disclose Demographic Background				

ITEM 11. EXECUTIVE COMPENSATION

The following table set forth certain information as to the compensation paid to the executive officers of the Company and iMedical, its predecessor, for the fiscal years ended March 31, 2023 and March 31, 2022.

Name and Principal Position	Fiscal Year	Salary	Bonus	Stock Awards	Option/Warrant Awards(1)	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Waqaas Al-Siddiq	2023	$480,000	$ 240,000		$ 428,757		$ 12,000	$1,160,757
Chief Executive Officer	2022	$480,000	$ 225,000		$ 169,513		$ 12,000	$ 886,513
John Ayanoglou	2023	$293,750	$ -		$ 232,537		$ 12,000	$ 538,287
Chief Financial Officer	2022	$300,000	$ 75,000		$ 504,910		$ 12,000	$ 891,910

(1) For assumptions made in such valuation, see Note 7 to our audited financial statements included in this Annual report on Form 10-K, commencing on page F-1. Amounts shown as option awards for Mr. Ayanoglou were granted as warrants, while he was not a member of the Company's options program.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information about the number of outstanding equity awards held by our named executive officers at March 31, 2023.

	Option awards(1)					Stock awards			
Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Option exercise price ($)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested as of 12/31/15 ($)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($)
Waqaas Al-Siddiq	4,149,984	1,450,000	-	$ 0.81 to $5.44	July 2026 to March 2033	-	-	-	-
John Ayanoglou	1,417,294	-	-	$ 0.45 to $2.40	December 2028 to December 2032	-	-	-	-

(1) Amounts shown as option awards for Mr. Ayanoglou were granted as warrants, having the same expiration term and rights that are the same or similar to other executive options, while he was not a member of the Company's options program.

Employment Agreements

Waqaas Al-Siddiq

We entered into an employment agreement with Mr. Al-Siddiq dated as of April 10, 2020. Pursuant to the Employment Agreement, Mr. Al-Siddiq ("Executive") will continue to serve as the Corporation's Chief Executive Officer. The term of the Employment Agreement is for 12 months unless it is earlier terminated pursuant to its terms and it shall be automatically renewed for successive one year periods until the Executive or the Company delivers to the other party a written notice of their intent not to renew the employment term at least 30 days prior to the expiration of the then effective employment term. During the term of the Employment Agreement, Executive salary was initially $390,000, subject to any increase approved by the Company's board. For the years ended March 31, 2022 and 2023, Mr. Al-Sidddiq's salary was $480,000 per annum. Under the Employment Agreement, the Executive is eligible to earn a cash and/or equity bonus of up to 50% of his then annual salary. In the event that the Executive is terminated without just cause or terminates for good reason (as these terms are defined in the Employment Agreement), the Executive will be entitled to a severance payment equal to 12 months of salary paid on a monthly basis and accrued but unused vacation. Mr. Al-Siddiq is also compensated through period, approved option grants.

This summary is qualified in all respects by the actual terms of the employment agreement, which was filed as Exhibit 10.1 to our current report on Form 8-K on April 13, 2020

John Ayanoglou

In connection with Mr. Ayanoglou's official appointment as Chief Financial Officer effective as of October 27, 2017, the Company agreed to pay Mr. Ayanoglou an initial base salary of $200,000, subject to approved increases and an approved cash or equity bonus. Mr. Ayanoglou's base salary for calendar 2021, 2022 and 2023 was set at $300,000. In addition, the Company agreed to grant Mr. Ayanoglou warrants to purchase 200,000 shares of the Company's common stock, during each year of his tenure, granted in equal quarterly installments starting with the first fiscal quarter of employment. The warrants vest monthly on a pro-rata basis over a period of 12 months, with the same 10-year term and the same rights and protections as executive options awarded under the Company's 2016 Equity Incentive Plan. As of December 31, 2020, the Company extended the expiry dates for 788,806 previously issued warrants to extend their term from 3 to 10 years in accord with the same term extension made to the options of all other company employees in fiscal 2020. As part of this revision in terms, 288,806 of these same warrants previously issued and expensed were repriced to reflect current market conditions.

Corporate Governance

The business and affairs of the Company are managed under the direction of our Board of Directors, which is comprised of Mr. Al-Siddiq, Dr. Betts, Ms. Kennedy, Mr. Rosa and Mr. Salmon.

Term of Office

Directors are appointed to hold office until the next annual general meeting of stockholders or until removed from office in accordance with our bylaws. Our officers are appointed by our Board and hold office until removed by our Board.

All officers and directors listed above will remain in office until the next annual meeting of our stockholders, and until their successors have been duly elected and qualified. Our bylaws provide that officers are appointed annually by our Board and each executive officer serves at the discretion of our Board.

Director Compensation

The following table sets forth a summary of the compensation for our non-employee directors during the fiscal years ended March 31, 2023 and March 31, 2022.

Name	Year	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Ronald McClurg	2023	$14,667	-	-	-	-	-	$ 14,667
	2022	-	-	-	-	-	-	-
David A. Rosa	2023	$58,000			-		-	$ 58,000
	2022	$36,000	$ 85,326	$ 63,000	-		-	$184,326
Chester White (2)	2023	$	-	-	-	-	-	$
	2022		-		-	-	-	
Steve Salmon (3)	2023	$ 2,000	-	-	-	-	-	$ 2,000
	2022	$24,000	-	$126,000	-	-	-	$150,000
Dr. Norman M. Betts (4)	2023	$ 2,000		-	-	-	-	$ 2,000
	2022	$24,000	$126,000	-	-	-	-	$150,000
Patricia Kennedy (5)	2023	$14,000	-	-	-	-	-	$ 14,000
	2022	$24,000	-	$126,000	-	-	-	$150,000

(1) Mr. McClurg was appointed to the board on May 2, 2022.
(2) Mr. White was appointed to the board on August 11, 2022.
(3) Mr. Salmon resigned from the board on May 2, 2022.
(4) Mr. Betts resigned from the board on August 4, 2022.
(5) Ms. Kennedy resigned from the board on August 4, 2022.

Board Committees

Our Board of Directors has established three standing committees: an audit committee, a nominating and corporate governance committee, and a compensation committee, which are described below. Members of these committees are elected annually at the regular board meeting held in conjunction with the annual stockholders' meeting.

Audit Committee

The Audit Committee, among other things, is responsible for:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes our internal quality-control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and
- approving (or, as permitted, pre-approving) all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

The Board has affirmatively determined that each member of the Audit Committee meets the additional independence criteria applicable to audit committee members under SEC rules and the NASDAQ Stock Market. The Board of Directors has adopted a written charter setting forth the authority and responsibilities of the Audit Committee. The Board has affirmatively determined that each member of the Audit Committee is financially literate, and that Ronald McClurg meets the qualifications of an Audit Committee financial expert. The Audit Committee consists of Ronald McClurg, David A. Rosa and Chester White. Ronald McClurg is the chairman of the Audit Committee. Norman Betts was the chairman of the Audit Committee until his resignation from the Board in August 2022. During the fiscal year ended March 31, 2023, the Audit Committee met 4 times.

Compensation Committee

The functions of the compensation committee include:

- reviewing and approving, or recommending that our Board approve, the compensation of our executive officers;
- reviewing and recommending that our Board approve the compensation of our directors;
- reviewing and approving, or recommending that our Board approve, the terms of compensatory arrangements with our executive officers;
- administering our stock and equity incentive plans;
- selecting independent compensation consultants and assessing conflict of interest compensation advisers;
- reviewing and approving, or recommending that our Board approve, incentive compensation and equity plans; and;
- reviewing and establishing general policies relating to compensation and benefits of our employees and reviewing our overall compensation philosophy.

The Board has adopted a written charter setting forth the authority and responsibilities of the Compensation Committee. The Compensation Committee consists of David Rosa and Chester White. Dave Rosa is the chairman of the Compensation Committee. During the fiscal year ended March 31, 2023, the Compensation Committee met 2 times. Steve Salmon was a member of the Compensation Committee until his resignation from the Board in May 2022.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, among other things, is responsible for:

- identifying and screening individuals qualified to become members of the Board, consistent with the criteria approved by the Board;
- making recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to a stockholder vote at the annual meeting of stockholders;
- developing and recommending to the Board a set of corporate governance guidelines applicable to the Company, to review these principles at least once a year and to recommend any changes to the Board;
- overseeing the Company’s corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Company’s corporate governance framework, including its certificate of incorporation and by-laws; and
- developing subject to approval by the Board, a process for an annual evaluation of the Board and its committees and to oversee the conduct of this annual evaluation.

The Board of Directors has adopted a written charter setting forth the authority and responsibilities of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee consists of David Rosa and Chester White, with David Rosa serving as chairman. During the fiscal year ended March 31, 2023, the Nominating and Corporate Governance Committee met 2 times.

Code of Business Conduct and Ethics Policy

We adopted a Code of Business Conduct and Ethics as of April 12, 2016, that applies to, among other persons, our principal executive officers, principal financial officer, principal accounting officer or controller, and persons performing similar functions. Our Code of Business Conduct and Ethics is available on our website www.biotricity.com.

Director Independence

We use the definition of "independence" of The NASDAQ Stock Market to make this determination. NASDAQ Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the company or any other individual having a relationship, which, in the opinion of the Company's Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- The director is, or at any time during the past three years was, an employee of the company;
- The director or a family member of the director accepted any compensation from the company in excess of $120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- A family member of the director is, or at any time during the past three years was, an executive officer of the company;
- The director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or $200,000, whichever is greater (subject to certain exclusions);
- The director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or
- The director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

Under such definitions, Dr. Betts, Steve Salmon, Ms. Kennedy and Mr. Rosa are independent directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table shows the beneficial ownership of our common stock as of June 29, 2023 held by (i) each person known to us to be the beneficial owner of more than five percent of our common stock; (ii) each director; (iii) each executive officer; and (iv) all directors, director nominees and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, and generally includes voting power and/or investment power with respect to the securities held. Shares of common stock subject to options and warrants currently exercisable or which may become exercisable within 60 days of June 29, 2023 are deemed outstanding and beneficially owned by the person holding such options or warrants for purposes of computing the number of shares and percentage beneficially owned by such person, but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as indicated in the footnotes to this table, the persons or entities named have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

The following table assumes 52,514,582 shares are outstanding as of June 29, 2023, consisting of 51,047,864 shares of common stock and 1,466,718 Exchangeable Share common stock equivalents. The percentages below assume the exchange by all of the holders of Exchangeable Shares of iMedical for an equal number of shares of our common stock in accordance with the terms of the Exchangeable Shares. Unless otherwise indicated, the address of each beneficial holder of our common stock is our corporate address.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	% of Shares of Common Stock Beneficially Owned
Waqaas Al-Siddiq (1)	9,053,997	15.08%
Isa Khalid Abdulla Al-Khalifa	2,814,594	4.69%
John Ayanoglou (2)	1,458,961	2.43%
David A. Rosa (2)	698,104	*
Chester White	704,862	*
Ronald McClurg	10,000	*
All directors and executive officers as a group	11,925,924	19.86%

* Less than 1%

(1) Includes an option to purchase an aggregate of 4,341,661 of the Company's shares.

(2) Includes warrants that were granted during 2017 to 2023, that are exercisable within 60 days of June 29, 2023.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

None.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table presents the fees for professional audit services for the fiscal years ended March 31, 2022 and March 31, 2022.

Fee Category	2023	2022
Audit Fees (1)	$ 145,733	$ 169,250
Audit-Related Fees (2)		
Tax Fees		
All Other Fees		
Total Fees	$ 145,733	$ 169,250

(1) Audit fees consist of audit and review services, consents and review of documents filed with the SEC.

(2) Audit-related fees consists of fees for professional services rendered in connection with the Company's registration statements and offerings.

Pre-Approval Policies and Procedures

In its capacity, the Board pre-approves all audit (including audit-related) and permitted non-audit services to be performed by the independent auditors. The Board will annually approve the scope and fee estimates for the year-end audit to be performed by the Company's independent auditors for the fiscal year. With respect to other permitted services, the Board pre-approves specific engagements, projects and categories of services on a fiscal year basis, subject to individual project and annual maximums. To date, the Company has not engaged its auditors to perform any non-audit related services.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit	Description
3.1	Amended and Restated Articles of Incorporation (filed as Exhibit 3(i) to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
3.2	Amended and Restated By-Laws (filed as Exhibit 3(ii) to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
4.1	Certificate of Designation of Preferences, Rights and Limitations of Special Voting Preferred Stock of Biotricity Inc. (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
4.2	Exchangeable Share provisions with respect to the special rights and restrictions attached to Exchangeable Shares (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
4.3	Form of Secured Convertible Debenture due September 21, 2017 (filed as Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
4.4	Form of Warrant (filed as Exhibit 4.4 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
4.5	Form of Convertible Promissory Note (filed as Exhibit 4.5 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference).
4.6	Form of Warrant (filed as Exhibit 4.6 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference).
4.7	Form of Warrant (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference).
4.8	Form of Placement Agent Warrant (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference).
4.9	Form of Promissory Note (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference).
4.10	Form of Promissory Note (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on July 12, 2019 and incorporated herein by reference).
4.11	Certificate of Designation of Rights, Powers, Preferences, Privileges and Restrictions of Series A Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 20, 2019 and incorporated herein by reference).
4.12	Promissory Note between Biotricity Ic. and Cross River Bank (filed as exhibit 4.12 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 2020 filed with the SEC on July 15, 2020 and incorporated herein by reference).
10.1	Exchange Agreement, dated February 2, 2016, among Biotricity Inc., Biotricity Callco Inc., Biotricity Exchangeco Inc., iMedical Innovation Inc. and the Shareholders of iMedical Innovations Inc. (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
10.2	Assignment and Assumption Agreement, dated as of February 2, 2016, by and between Biotricity Inc. and W270 SA (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
10.3	Voting and Exchange Trust Agreement, as of February 2, 2016, among Biotricity Inc., Biotricity Callco Inc., Biotricity Exchangeco Inc. and Computershare filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
10.4	Support Agreement, made as of February 2, 2016, among Biotricity Inc., Biotricity Callco Inc. and Biotricity Exchangeco Inc. (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
10.5*	2016 Equity Incentive Plan (filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
10.6	Exclusivity & Royalty Agreement, dated as of September 15, 2014, by and between iMedical Innovation Inc. and CardioComm Solutions, Inc. (Filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed with the SEC on February 3, 2016 and incorporated herein by reference).
10.7*	Employment Agreement dated April 12, 2016 with Waqaas Al-Siddiq (filed as Exhibit 10.7 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference).
10.8	Form of Subscription Agreement for convertible promissory notes and warrants (filed as Exhibit 10.8 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference).
10.9	Investment Banking Agreement, as amended (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference).
10.10	Form of Subscription Agreement (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 9, 2017 and incorporated herein by reference).

10.11+	Software Development and Services Agreement, dated as of September 15, 2014, by and between iMedical Innovations Inc. and CardioComm Solutions, Inc. (filed as Exhibit 10.11 to the Registrant's Transition Report on Form 10-KT filed with the SEC on June 29, 2017 and incorporated herein by reference).
10.12	Form of Securities Purchase Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 26, 2017 and incorporated herein by reference).
10.13	Purchase Agreement, dated as of June 28, 2018, by and between Biotricity, Inc. and Lincoln Park Capital Fund, LLC (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 28, 2018 and incorporated herein by reference).
10.14	Form of Promissory Note (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 15, 2019 and incorporated herein by reference).
10.15	Form of Purchase Agreement (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 15, 2019 and incorporated herein by reference).
10.16	Form of Subscription Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on July 12, 2019 and incorporated herein by reference).
10.17	Form of Securities Purchase Agreement (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on December 20, 2019 and incorporated herein by reference).
10.18	Form of Exchange Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 13, 2019 and incorporated herein by reference).
10.19	Employment Agreement between the Company and Waqaas Al-Siddiq filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 13, 2020 and incorporated herein by reference).
10.20	Form of Subscription Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 6, 2020 and incorporated herein by reference).
10.21	Form of Convertible Promissory Note (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on August 6, 2020 and incorporated herein by reference).
10.22	Form of Warrant filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on August 6, 2020 and incorporated herein by reference).
10.23	Form of Registration Rights Agreement filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on August 6, 2020 and incorporated herein by reference).
10.24	Form of Subscription Agreement filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 22, 2021 and incorporated herein by reference).
10.25	Form of Convertible Promissory Note filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 22, 2021 and incorporated herein by reference).
10.26	Form of Registration Rights Agreement filed as Exhibit 10. 4 to the Registrant's Current Report on Form 8-K filed with the SEC on January 22, 2021 and incorporated herein by reference).
10.27	Credit Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 28, 2021 and incorporated herein by reference).
10.28	Common Stock Purchase Agreement (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on December 28, 2021 and incorporated herein by reference).
10.29	Collateral Agreement (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on December 28, 2021 and incorporated herein by reference).
10.30	IP Security Agreement (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on December 28, 2021 and incorporated herein by reference).
10.31	At The Market Offering Agreement, by and between the Company and H.C. Wainwright & CO, LLC, dated March 22, 2022 (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 22, 2022 and incorporated herein by reference).
10.32	Credit Agreement, by and between the Company and SWK Funding LLC (filed as Exhibit 10.1 to the current report under Form 8-K filled with SEC on December 28, 2021)
14.1	Code of Business Conduct and Ethics (filed as Exhibit 14.1 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference).
21.1	List of Subsidiaries (filed as Exhibit 21.1 to the Registrant's Transition Report on Form 10-KT filed with the SEC on April 13, 2016 and incorporated herein by reference).
23.1	Consent of SRCO Professional Corporation
31.1	Section 302 Certification of Principal Executive Officer
31.2	Section 302 Certification of Principal Financial and Accounting Officer
32.1	Section 906 Certification of Principal Executive Officer
32.2	Section 906 Certification of Principal Financial and Accounting Officer
99.1	Audit Committee Charter
99.2	Compensation Committee Charter
99.3	Nominating and Corporate Governance Committee Charter
101.INS	Inline XBRL Instance Document

101.SCH	Inline XBRL Taxonomy Extension Schema Document Accounting Officer
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Indicates management contract or compensatory plan or arrangement.

\+ Portions of this document have been omitted and submitted separately with the Securities and Exchange Commission pursuant to a request for "Confidential Treatment".

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the day of June 29, 2023.

BIOTRICITY INC.

By: */s/ Waqaas Al-Siddiq*
Waqaas Al-Siddiq
Chief Executive Officer and President

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Waqaas Al-Siddiq Waqaas Al-Siddiq	Chairman, President and Chief Executive Officer (principal executive officer)	June 29, 2023
/s/ John Ayanoglou John Ayanoglou	Chief Financial Officer (principal financial and accounting officer)	June 29, 2023
/s/ David A. Rosa David A. Rosa	Director	June 29, 2023
/s/ Chester White Chester White	Director	June 29, 2023
/s/ Ronald McClurg Ronald McClurg	Director	June 29, 2023

Consolidated Financial Statements
Biotricity Inc.
For the years ended March 31, 2023 and 2022

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Chartered Professional Accountants
Licensed Public Accountants
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Biotricity Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Biotricity Inc. and its subsidiary (the Company) as of March 31, 2023 and 2022 and the related consolidated statements of operations and comprehensive loss, stockholders' deficiency, and cash flows for each of the years in the two-year period ended March 31, 2023 and related notes (collectively referred to as the financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022 and the results of its operations and its cash flows for each of the years in the two-year period ended March 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Material Uncertainty Related to Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has incurred recurring losses from operations, has negative cash flows from operating activities, working capital deficiency and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Derivative Liabilities

Critical Audit Matter Description

As described further in Notes 5 and 8 to the financial statements, the Company determined that the conversion features and redemption features of its convertible promissory notes, certain warrants, and preferred shares, issued in conjunction with financing arrangements required to be accounted for as derivative liabilities. The derivative liabilities are recorded at fair value when issued and subsequently re-measured to fair value each reporting period. These derivatives require valuation techniques that may include complex models and non-observable inputs, requiring management's estimation and judgment.

How the Critical Audit Matter was Addressed in the Audit

To test the valuation of the derivative liabilities, our audit procedures included, among others, reviewing the terms of the underlying instruments, testing management's process for developing the fair value measurement, evaluating the appropriateness of the methodologies used in the valuation model and testing the reasonableness of the significant assumptions and inputs used. We have also evaluated the financial statement disclosures related to these matters.

/s/ SRCO Professional Corporation

We have served as the Company's auditor since 2015
Richmond Hill, Ontario, Canada
June 29, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

BIOTRICITY INC.
CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars)

	As at March 31, 2023	As at March 31, 2022
	$	**$**
CURRENT ASSETS		
Cash	**570,460**	12,066,929
Accounts receivable, net	**1,224,137**	2,006,678
Inventories *[Note 3]*	**2,337,006**	842,924
Deposits and other receivables	**588,599**	406,280
Total current assets	**4,720,202**	15,322,811
Deposits *[Note 12]*	**85,000**	85,000
Long-term accounts receivable	**96,344**	—
Property and equipment *[Note 13]*	**21,506**	27,459
Operating right of use asset *[Note 12]*	**1,587,492**	1,242,700
TOTAL ASSETS	**6,510,544**	16,677,970
CURRENT LIABILITIES		
Accounts payable and accrued liabilities *[Note 4]*	**5,042,476**	2,595,747
Convertible promissory notes and short term loans *[Note 5]*	**4,774,468**	1,540,000
Derivative liabilities *[Note 8]*	**1,008,216**	520,747
Operating lease obligations, current *[Note 12]*	**335,608**	210,320
Total current liabilities	**11,160,768**	4,866,814
Federally guaranteed loans *[Note 7]*	**870,800**	870,800
Term loan *[Note 6]*	**12,178,809**	11,612,672
Derivative liabilities *[Note 8]*	**759,065**	352,402
Operating lease obligations *[Note 12]*	**1,386,487**	1,120,018
TOTAL LIABILITIES	**26,355,929**	18,822,706
STOCKHOLDERS' DEFICIENCY		
Preferred stock, $0.001 par value, 9,980,000 authorized as at March 31, 2023 and March 31, 2022, 1 share issued and outstanding as at March 31, 2023 and March 31, 2022 *[Note 9]*	**1**	1
Series A preferred stock, $0.001 par value, 20,000 authorized as at March 31, 2023 and March 31, 2022, respectively, 6,304 and 7,200 preferred shares issued and outstanding as at March 31, 2023 and as at March 31, 2022, respectively *[Note 9]*	**6**	7
Common stock, $0.001 par value, 125,000,000 authorized as at March 31, 2023 and March 31, 2022. Issued and outstanding common shares: 51,047,864 and 49,810,322 as at March 31, 2023 and March 31, 2022, respectively, and exchangeable shares of 1,466,718 outstanding as at March 31, 2023 and March 31, 2022 *[Note 9]*	**52,514**	51,277
Shares to be issued, 23,723 and 123,817 shares of common stock as at March 31, 2023 and March 31, 2022, respectively) *[Note 9]*	**24,999**	102,299
Additional paid-in-capital	**92,800,717**	91,507,478
Accumulated other comprehensive loss	**(152,797)**	(768,656)
Accumulated deficit	**(112,570,825)**	(93,037,142)
TOTAL STOCKHOLDERS' DEFICIENCY	**(19,845,385)**	(2,144,736)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	**6,510,544**	16,677,970

Commitments and contingencies *[Note 11]*

Subsequent Events *[Note 14]*

See accompanying notes to consolidated financial statements

BIOTRICITY INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US Dollars)

	Year Ended March 31, 2023	Year Ended March 31, 2022
	$	$
REVENUE	**9,639,057**	7,650,269
Cost of Revenue	**4,197,024**	3,080,116
GROSS PROFIT	**5,442,033**	4,570,153
OPERATING EXPENSES		
Selling, general and administrative expenses	**17,621,865**	18,562,369
Research and development expenses	**3,229,879**	2,744,587
TOTAL OPERATING EXPENSES	**20,851,744**	21,306,956
LOSS FROM OPERATIONS	**(15,409,711)**	(16,736,803)
Interest expense	**(1,839,159)**	(1,283,570)
Accretion and amortization expenses *[Note 5,6]*	**(743,459)**	(9,286,023)
Change in fair value of derivative liabilities *[Note 8]*	**(483,873)**	(683,559)
Loss upon convertible promissory notes conversion and redemption *[Note 9]*	**(71,119)**	(1,155,642)
Other (expense) income	**(110,822)**	15,120
NET LOSS BEFORE INCOME TAXES	**(18,658,143)**	(29,130,477)
Income taxes *[Note 10]*	—	—
NET LOSS BEFORE DIVIDENDS	**(18,658,143)**	(29,130,477)
Adjustment: Preferred Stock Dividends	**(875,540)**	(1,088,977)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	**(19,533,683)**	(30,219,454)
Translation adjustment	**615,859**	(134,470)
COMPREHENSIVE LOSS	**(18,917,824)**	(30,353,924)
LOSS PER SHARE, BASIC AND DILUTED	**(0.376)**	(0.665)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**51,957,841**	45,449,720

See accompanying notes to the consolidated financial statements

BIOTRICITY, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
(Expressed in US Dollars)

	Preferred stock		Common stock and exchangeable common shares		Shares to be Issued		Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total
	Shares	$	Shares	$	Shares	$	$	$	$	$
Balance, March 31, 2022	**7,201**	**8**	**51,277,040**	**51,277**	**123,817**	**102,299**	**91,507,478**	**(768,656)**	**(93,037,142)**	**(2,144,736)**
Conversion of convertible notes into common shares [Note 9]	—	—	**761,038**	**761**	—	—	**843,161**	—	—	**843,922**
Preferred stock purchased back via cash	**(896)**	**(1)**	**—**	**—**	—	—	**(777,174)**	—	—	**(777,175)**
Issuance of shares for services [Note 9]	—	—	**132,202**	**132**	—	—	**150,286**	—	—	**150,418**
Issuance of warrants for services [Note 9]	—	—	—	**—**	—	—	**232,526**	—	—	**232,526**
Exercise of warrants for cash [Note 9]	—	—	**71,792**	**72**	**(100,094)**	**(77,300)**	**47,228**	—	—	**(30,000)**
Exchange of warrants for promissory notes	—	—	—	**—**	—	—	**(71,768)**	—	—	**(71,768)**
Issuance of shares in lieu of convertible note interest [Note 9]	—	—	**270,270**	**270**	—	—	**221,351**	—	—	**221,621**
Stock based compensation - ESOP [Note 9]	—	—	—	**—**	—	—	**647,631**	—	—	**647,631**
Cashless exercise of options [Note 9]	—	—	**2,240**	**2**	—	—	**(2)**	—	—	**—**
Translation adjustment	—	—	—	—	—	—	—	**615,859**	—	**615,859**
Net loss before dividends for the year	—	—	—	—	—	—	—	—	**(18,658,143)**	**(18,658,143)**
Preferred stock dividends	—	—	—	—	—	—	—	—	**(875,540)**	**(875,540)**

Balance, March 31, 2023	**6,305**	**7**	**52,514,582**	**52,514**	**23,723**	**24,999**	**92,800,717**	**(152,797)**	**(112,570,825)**	**(19,845,385)**
Balance, March 31, 2021	**8,046**	**9**	**39,014,942**	**39,015**	**268,402**	**280,960**	**56,298,726**	**(634,186)**	**(62,817,688)**	**(6,833,164)**
Issuance of common shares for private placement [Note 9]	—	—	69,252	69	—	—	249,931	—	—	250,000
Issuance of preferred shares for private placement investors [Note 9]	100	—	—	—	—	—	100,000	—	—	100,000
Derivative liabilities adjustment pursuant to issuance of preferred shares [Note 8] [Note 9]	—	—	—	—	—	—	(17,084)	—	—	(17,084)
Issuance of shares from uplisting [Note 9]	—	—	5,382,331	5,382	—	—	14,540,423	—	—	14,545,805
Conversion of convertible notes into common shares [Note 9]	—	—	4,715,346	4,715	(19,263)	(38,460)	15,712,199	—	—	15,678,454
Conversion of preferred shares into common shares [Note 9]	(715)	(1)	288,756	289	—	—	633,517	—	—	633,805
Preferred stock purchased back via cash	(230)	—	—	—	—	—	(193,448)	—	—	(193,448)
Issuance of shares for services [Note 9]	—	—	701,688	702	(250,000)	(242,500)	1,656,247	—	—	1,414,449
Exercise of warrants for cash [Note 9]	—	—	658,355	658	123,678	102,299	873,285	—	—	976,242
Issuance of warrants for services [Note 9]	—	—	—	—	—	—	740,156	—	—	740,156
Stock based compensation	—	—	—	—	—	—	913,613	—	—	913,613

- ESOP [Note 9]										
Cashless exercise of warrants	—	—	446,370	447	1,000	—	(87)	—	—	360
Translation adjustment	—	—	—	—	—	—	—	(134,470)	—	(134,470)
Net loss before dividends for the year	—	—	—	—	—	—	—	—	(29,130,477)	(29,130,477)
Preferred stock dividends	—	—	—	—	—	—	—	—	(1,088,977)	(1,088,977)
Balance, March 31, 2022	**7,201**	**8**	**51,277,040**	**51,277**	**123,817**	**102,299**	**91,507,478**	**(768,656)**	**(93,037,142)**	**(2,144,736)**

See accompanying notes to the consolidated financial statements

BIOTRICITY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US dollars)

	Year Ended March 31, 2023 $	Year Ended March 31, 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before dividends	**(18,658,143)**	(29,130,477)
Adjustments to reconcile net loss to net cash used in operations		
Stock based compensation	**647,631**	913,613
Issuance of shares for services	**150,418**	1,414,449
Issuance of warrants for services, at fair value	**232,526**	541,443
Accretion and amortization expense	**743,459**	9,286,023
Change in fair value of derivative liabilities	**483,873**	683,559
Loss upon convertible promissory notes conversion and redemption	**71,119**	1,155,642
Loss on debt and warrant modification [Note 5]	**126,158**	—
Property and equipment depreciation	**5,953**	2,308
Non-cash lease expenses	**340,307**	87,639
Changes in operating assets and liabilities:		
Accounts receivable, net	**686,197**	(435,484)
Inventories	**(1,494,082)**	(570,431)
Deposits and other receivables	**(224,819)**	(60,665)
Accounts payable and accrued liabilities	**3,341,468**	948,997
Net cash used in operating activities	**(13,547,935)**	(15,163,384)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment	**—**	(29,767)
Net cash used in investing activities	**—**	(29,767)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares, net	**—**	250,000
Issuance of preferred shares, net	**—**	100,000
Redemption of preferred shares	**(895,556)**	(230,000)
Exercise of warrants for cash	**12,500**	872,292
Federally guaranteed loans	**—**	499,900
Proceeds from convertible notes, net	**2,355,318**	—
Proceeds from (repayment of) promissory note and short term loan, net	**1,476,121**	(1,660,220)
Issuance of shares from uplisting	**—**	14,545,805
Term loan, net	—	11,756,563
Preferred stock dividend	**(946,780)**	(966,110)
Net cash provided by financing activities	**2,001,603**	25,168,230
Effect of foreign currency translation	**49,863**	(109,712)
Net (decrease) increase in cash during the year	**(11,546,332)**	9,975,079
Cash, beginning of year	**12,066,929**	2,201,562
Cash, end of year	**570,460**	12,066,929
Supplemental disclosure of cash flow information:		
Interest paid	**1,651,546**	553,265
Taxes	**—**	—

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS

Biotricity Inc. (formerly MetaSolutions, Inc.) (the "Company" or "Biotricity") was incorporated under the laws of the State of Nevada on August 29, 2012. iMedical Innovations Inc. ("iMedical") was incorporated on July 3, 2014 under the laws of the Province of Ontario, Canada and became a wholly-owned subsidiary of Biotricity through reverse take-over on February 2, 2016.

Both the Company and iMedical are engaged in research and development activities within the remote monitoring segment of preventative care. They are focused on a realizable healthcare business model that has an existing market and commercialization pathway. As such, its efforts to date have been devoted to building and commercializing an ecosystem of technologies that enable access to this market.

2. BASIS OF PRESENTATION, MEASUREMENT AND CONSOLIDATION

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are expressed in United States dollars ("USD").

The consolidated financial statements of the Company have been prepared on a historical cost basis except derivative liabilities which are carried at fair value.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Significant intercompany accounts and transactions have been eliminated.

Reclassifications

Certain amounts presented in the prior year period have been reclassified to conform to current period consolidated financial statement presentation. Interest expense related to debt principal, previously recorded as a selling, general and administrative expense in the consolidated statements of operations and comprehensive loss in the prior year, was reclassified as a non-operating expense.

Going Concern, Liquidity and Basis of Presentation

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company is in the early stages of commercializing its first product and is concurrently in development mode, operating a research and development program in order to develop, obtain regulatory clearance for, and commercialize other proposed products. The Company has incurred recurring losses from operations, and as at March 31, 2023, had an accumulated deficit of $112,570,825 and a working capital deficiency of $6,440,566. Those conditions raise substantial doubt about its ability to continue as a going concern for a period of one year from the issuance of these consolidated financial statements. The consolidated financial statements do not include adjustments that might result from the outcome of this uncertainty.

Management anticipates the Company will continue on its revenue growth trajectory and improve its liquidity through continued business development and after additional equity or debt capitalization of the Company. On August 30, 2021, the Company completed an underwritten public offering of its common stock that concurrently facilitated its listing on the Nasdaq Capital Market. Prior to listing on the Nasdaq Capital Market, the Company had also filed a shelf Registration Statement on Form S-3 (No. 333-255544) with the Securities and Exchange Commission on April 27, 2021, which was declared effective on May 4, 2021. This facilitates better transactional preparedness when the Company seeks to issue equity or debt to potential investors, since it continues to allow the Company to offer its shares to investors only by means of a prospectus, including a prospectus supplement, which forms part of an effective registration statement. As such, the Company has developed and continues to pursue sources of funding that management believes will be sufficient to support the Company's operating plan and alleviate any substantial doubt as to its ability to meet its obligations at least for a period of one year from the date of these consolidated financial statements. During the fiscal year ended March 31, 2021, the Company closed a number of private placements offering of convertible notes, which have raised net cash proceeds of $11,375,690. During fiscal quarter ended June 30, 2021, the Company raised an additional $499,900 through government EIDL loan. During the fiscal quarter ended September 30, 2021, the Company raised total net proceeds of $14,545,805 through the underwritten public offering that was concurrent with its listing onto the Nasdaq Capital Markets. During the fiscal quarter ended December 31, 2021, the Company raised additional net proceeds of $11,756,563 through a term loan transaction (Note 6) and made repayment of the previously issued promissory notes and short-term loans. In connection with this loan, the Company and Lender also entered into a Guarantee and Collateral Agreement wherein the Company agreed to secure the Credit Agreement with all of the Company's assets. The Company and Lender also entered into an Intellectual Property Security Agreement dated December 21, 2021 wherein the Credit Agreement is also secured by the Company's right title and interest in the Company's Intellectual Property. During the fiscal year ended March 31, 2023, the Company raised short-term loans and promissory notes, net of repayments of $1,476,121 from various lenders. During the fiscal year ended March 31, 2023, the Company raised convertible notes, net of redemptions of $2,355,318 from various lenders.

As we proceed with the commercialization of the Bioflux, Biotres, and Biocare product development, we expect to continue to devote significant resources on capital expenditures, as well as research and development costs and operations, marketing and sales expenditures.

Based on the above facts and assumptions, we believe our existing cash, along with anticipated near-term financings, will be sufficient to continue to meet our needs for the next twelve months from the filing date of this report. However, we will need to seek additional debt or equity capital to respond to business opportunities and challenges, including our ongoing operating expenses, protecting our intellectual property, developing or acquiring new lines of business and enhancing our operating infrastructure. The terms of our future financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We may also seek additional funds through arrangements with collaborators or other third parties. There can be no assurance we will be able to raise this additional capital on acceptable terms, or at all. If we are unable to obtain additional funding on a timely basis, we may be required to modify our operating plan and otherwise curtail or slow the pace of development and commercialization of our proposed product lines.

In December 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China and spread globally, causing significant disruption to the global and US economy. On March 20, 2020, the Company announced the precautionary measures taken as well as announcing the business impact related to the coronavirus (COVID-19) pandemic. Though its operations have since returned to a normal state, the extent to which the COVID-19 pandemic may continue to affect the economy and the Company's operations may depend on future developments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Company adopted Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers" ("ASC 606") on April 1, 2018. In accordance with ASC 606, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services by applying the core principles – (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to performance obligations in the contract, and (5) recognize revenue as performance obligations are satisfied.

(Expressed in US Dollars)

Both the Bioflux mobile cardiac telemetry device, and the Biotres device are wearable devices. The cardiac data that the devices monitor and collect is curated and analyzed by the Company's proprietary algorithms and then securely communicated to a remote monitoring facility for electronic reporting and conveyance to the patient's prescribing physician or other certified cardiac medical professional. Revenues earned are comprised of device sales revenues and technology fee revenues (technology as a service). The devices, together with their licensed software, are available for sale to the medical center or physician, who is responsible for the delivery of clinical diagnosis and therapy. The remote monitoring, data collection and reporting services performed by the technology culminate in a patient study that is generally billable when it is complete and is issued to the physician. In order to recognize revenue, management considers whether or not the following criteria are met: persuasive evidence of a commercial arrangement exists, and delivery has occurred or services have been rendered. For sales of devices, which are invoiced directly, additional revenue recognition criteria include that the price is fixed and determinable and collectability is reasonably assured; for device sales contracts with terms of more than one year, the Company recognizes any significant financing component as revenue over the contractual period using the effective interest method, and the associated interest income is reflected accordingly on the statement of operations and included in other income; for revenue that is earned based on customer usage of the proprietary software to render a patient's cardiac study, the Company recognizes revenue when the study ends based on a fixed billing rate. Costs associated with providing the services are recorded as the service is provided regardless of whether or when revenue is recognized.

The Company may also earn service-related revenue from contracts with other counterparties with which it consults. This contract work is separate and distinct from services provided to clinical customers, but may be with a reseller or other counterparties that are working to establish their operations in foreign jurisdictions or ancillary products or market segments in which the Company has expertise and may eventually conduct business.

The Company recognized the following forms of revenue for the fiscal years ended March 31, 2023 and 2022:

	2023	2022
	$	$
Technology fees	8,802,032	5,904,393
Device sales	837,025	995,876
Service-related and other revenue	-	750,000
	9,639,057	7,650,269

Inventories

Inventory is stated at the lower of cost and market value, cost being determined on a weighted average cost basis. Market value of our finished goods inventory and raw material inventory is determined based on its estimated net realizable value, which is generally the selling price less normally predictable costs of disposal and transportation. The Company records write-downs of inventory that is obsolete or in excess of anticipated demand or market value based on consideration of product lifecycle stage, technology trends, product development plans and assumptions about future demand and market conditions. Actual demand may differ from forecasted demand, and such differences may have a material effect on recorded inventory values. Inventory write-downs are charged to cost of revenue and establish a new cost basis for the inventory.

	2023	2022
	$	$
Raw material	1,186,735	468,454
Finished goods	1,150,271	374,470
	2,337,006	842,924

Significant accounting estimates and assumptions

The preparation of the consolidated financial statements requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. The estimates and related assumptions are based on previous experiences and other factors considered reasonable under the circumstances, the results of which form the basis for making the assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounts that require estimates as the basis for determining the stated amounts include share-based compensation, impairment analysis and fair value of warrants, promissory notes, convertible notes and derivative liabilities.

- Fair value of stock options
  The Company measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of such instruments, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the Black-Scholes option pricing model, including the expected life of the instrument, risk-free rate, volatility, and dividend yield.

- Fair value of warrants
  In determining the fair value of the warrant issued for services and issue pursuant to financing transactions, the Company used the Black-Scholes option pricing model with the following assumptions: volatility rate, risk-free rate, and the remaining expected life of the warrants that are classified under equity.

- Fair value of derivative liabilities
  In determining the fair values of the derivative liabilities from the conversion and redemption features, the Company used Monte-Carlo and lattice models with the following assumptions: dividend yields, volatility, risk-free rate and the remaining expected life. Changes in those assumptions and inputs could in turn impact the fair value of the derivative liabilities and can have a material impact on the reported loss and comprehensive loss for the applicable reporting period.

- Functional currency
  Determining the appropriate functional currencies for entities in the Company requires analysis of various factors, including the currencies and country-specific factors that mainly influence labor, materials, and other operating expenses.

- Useful life of property and equipment
  The Company employs significant estimates to determine the estimated useful lives of property and equipment, considering industry trends such as technological advancements, past experience, expected use and review of asset useful lives. The Company makes estimates when determining depreciation methods, depreciation rates and asset useful lives, which requires considering industry trends and company-specific factors. The Company reviews depreciation methods, useful lives and residual values annually or when circumstances change and adjusts its depreciation methods and assumptions prospectively.

- Provisions
  Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a previous event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the expected future cash flows.

- Contingencies
  Contingencies can be either possible assets or possible liabilities arising from past events, which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

- Inventory obsolescence
  Inventories are stated at the lower of cost and market value. Market value of our inventory, which is all purchased finished goods, is determined based on its estimated net realizable value, which is generally the selling price less normally predictable costs of disposal and transportation. The Company estimates net realizable value as the amount at which inventories are expected to be sold, taking into consideration fluctuations in retail prices less estimated costs necessary to make the sale. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining selling prices.

- Income and other taxes

  The calculation of current and deferred income taxes requires the Company to make estimates and assumptions and to exercise judgment regarding the carrying values of assets and liabilities which are subject to accounting estimates inherent in those balances, the interpretation of income tax legislation across various jurisdictions, expectations about future operating results, the timing of reversal of temporary differences and possible audits of income tax filings by the tax authorities. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses.

  When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences. Changes or differences in underlying estimates or assumptions may result in changes to the current or deferred income tax balances on the consolidated balance sheets, a charge or credit to income tax expense included as part of net income (loss) and may result in cash payments or receipts. Judgment includes consideration of the Company's future cash requirements in its tax jurisdictions. All income, capital and commodity tax filings are subject to audits and reassessments. Changes in interpretations or judgments may result in a change in the Company's income, capital, or commodity tax provisions in the future. The amount of such a change cannot be reasonably estimated.

- Incremental borrowing rate for lease

  The determination of the Company's lease obligation and right-of-use asset depends on certain assumptions, which include the selection of the discount rate. The discount rate is set by reference to the Company's incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company's consolidated financial statements.

Earnings (Loss) Per Share

The Company has adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 260-10 which provides for calculation of "basic" and "diluted" earnings per share. Basic loss per share of common stock is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings or loss per share of common stock is computed similarly to basic earnings or loss per share except the weighted average shares outstanding are increased to include additional shares from the assumed exercise of any common stock equivalents, if dilutive. The Company's warrants, options, convertible promissory notes, convertible preferred stock, shares to be issued and restricted stock awards while outstanding are considered common stock equivalents for this purpose. Diluted earnings is computed utilizing the treasury method for the warrants, stock options, shares to be issued and restricted stock awards. Diluted earnings with respect to the convertible promissory notes and convertible preferred stock utilizing the if-converted method was not applicable during the periods presented as no conditions required for conversion had occurred. No incremental common stock equivalents were included in calculating diluted loss per share because such inclusion would be anti-dilutive given the net loss reported for the periods presented.

Cash

Cash includes cash on hand and balances with banks.

Foreign Currency Translation

The functional currency of the Company's Canadian-based subsidiary is the Canadian dollar and the US-based parent is the U.S. dollar. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the consolidated balance sheet date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All exchange gains or losses arising from translation of these foreign currency transactions are included in net income (loss) for the year. In translating the financial statements of the Company's Canadian subsidiaries from their functional currency into the Company's reporting currency of United States dollars, consolidated balance sheet accounts are translated using the closing exchange rate in effect at the balance sheet date and income and expense accounts are translated using an average exchange rate prevailing during the reporting period. Adjustments resulting from the translation, if any, are included in accumulated other comprehensive loss in stockholders' deficiency. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Accounts Receivable

Accounts receivable consists of amounts due to the Company from medical facilities, which receive reimbursement from institutions and third-party government and commercial payors and their related patients, as a result of the Company's normal business activities. Accounts receivable is reported on the consolidated balance sheets net of an estimated allowance for doubtful accounts. The Company establishes an allowance for doubtful accounts for estimated uncollectible receivables based on historical experience, assessment of specific risk, review of outstanding invoices, and various assumptions and estimates that are believed to be reasonable under the circumstances, and recognizes the provision as a component of selling, general and administrative expenses. Uncollectible accounts are written off against the allowance after appropriate collection efforts have been exhausted and when it is deemed that a balance is uncollectible.

Fair Value of Financial Instruments

ASC 820 defines fair value, establishes a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

● Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities.

● Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.

● Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments or interest rates that are comparable to market rates. These financial instruments include cash, accounts receivable, deposits and other receivables, convertible promissory notes and short term loans, federally-guaranteed loans, term loans and accounts payable and accrued liabilities. The Company's derivative liabilities are carried at fair values and are classified as Level 3 financial instruments. The Company's bank accounts are maintained with financial institutions of reputable credit, therefore, bear minimal credit risk.

The fair value of financial instruments measured on a recurring basis is as follows (in thousands):

	As of March 31, 2023			
Description	Total	Level 1	Level 2	Level 3
Liabilities:				
Derivative liabilities, short-term	$ 1,008,216	$ —	$ —	$ 1,008,216
Derivative liabilities, long-term	759,065	—	—	759,065
Total liabilities at fair value	$ 1,767,281	$ —	$ —	$ 1,767,281

	As of March 31, 2022			
Description	Total	Level 1	Level 2	Level 3
Liabilities:				
Derivative liabilities, short-term	$ 520,747	$ —	$ —	$ 520,747
Derivative liabilities, long-term	352,402	—	—	352,402
Total liabilities at fair value	$ 873,149	$ —	$ —	$ 873,149

There were no transfers between fair value hierarchy levels during the years ended March 31, 2023 and 2022.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred, and improvements and betterments are capitalized. Depreciation of property and equipment is provided using the straight-line method for substantially all assets with estimated lives as follow:

Office equipment	5 years
Leasehold improvement	5 years

Impairment for Long-Lived Assets

The Company applies the provisions of ASC Topic 360, Property, Plant, and Equipment, which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. ASC 360 requires impairment losses to be recorded on long-lived assets, including right-of-use assets, used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair values are reduced for the cost of disposal. Based on its review at March 31, 2023 and 2022, the Company believes there was no impairment of its long-lived assets.

Leases

The Company is the lessee in a lease contract when the Company obtains the right to use the asset. Operating leases are included in the line items right-of-use asset, lease liabilities, current, and lease liabilities, long-term in the consolidated balance sheet.

Right-of-use ("ROU") asset represents the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligations to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Leases with a lease term of 12 months or less at inception are not recorded on the consolidated balance sheet and are expensed on a straight-line basis over the lease term in the consolidated statement of operations and comprehensive loss. The Company determines the lease term by agreement with lessor. As the Company's lease does not provide implicit interest rate, the Company uses the Company's incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. Refer to Note 12 for further discussion.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740. The Company provides for Federal, State and Provincial income taxes payable, as well as for those deferred because of the timing differences between reporting income and expenses for consolidated financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recoverable or settled. The effect of a change in tax rates is recognized as income or expense in the period of the change. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount that is more likely than not to be realized.

Research and Development

Research and development costs, which relate primarily to product and software development, are charged to operations as incurred. Under certain research and development arrangements with third parties, the Company may be required to make payments that are contingent on the achievement of specific developmental, regulatory and/or commercial milestones. Before a product receives regulatory approval, milestone payments made to third parties are expensed when the milestone is achieved**.** Milestone payments made to third parties after regulatory approval is received are capitalized and amortized over the estimated useful life of the approved product.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of personnel-related costs including stock-based compensation for personnel in functions not directly associated with research and development activities. Other significant costs include sales and marketing costs, investor relation and legal costs relating to corporate matters, professional fees for consultants assisting with business development and financial matters, and office and administrative expenses.

Stock Based Compensation

The Company accounts for share-based payments in accordance with the provision of ASC 718, which requires that all share-based payments issued to acquire goods or services, including grants of employee stock options, be recognized in the consolidated statements of operations and comprehensive loss based on their fair values, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Compensation expense related to share-based awards is recognized over the requisite service period, which is generally the vesting period.

The Company accounts for stock based compensation awards issued to non-employees for services, as prescribed by ASC 718-10, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the guidelines in ASC 505-50. The Company issues compensatory shares for services including, but not limited to, executive, management, accounting, operations, corporate communication, financial and administrative consulting services.

Convertible Notes Payable and Derivative Instruments

The Company has adopted the provisions of ASU 2017-11 to account for the down round features of warrants issued with private placements effective as of April 1, 2017. In doing so, warrants with a down round feature previously treated as derivative liabilities in the consolidated balance sheet and measured at fair value are henceforth treated as equity, with no adjustment for changes in fair value at each reporting period. Previously, the Company accounted for conversion options embedded in convertible notes in accordance with ASC 815. ASC 815 generally requires companies to bifurcate conversion options embedded in convertible notes from their host instruments and to account for them as free-standing derivative financial instruments. ASC 815 provides for an exception to this rule when convertible notes, as host instruments, are deemed to be conventional, as defined by ASC 815-40. The Company accounts for convertible notes deemed conventional and conversion options embedded in non-conventional convertible notes which qualify as equity under ASC 815, in accordance with the provisions of ASC 470-20, which provides guidance on accounting for convertible securities with beneficial conversion features. Accordingly, the Company records, as a discount to convertible notes, the intrinsic value of such conversion options based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt.

Preferred Shares Extinguishments

The Company accounted for preferred stock redemptions and conversions in accordance to ASU-260-10-S99. For preferred stock redemptions and conversion, the difference between the fair value of consideration transferred to the holders of the preferred stock and the carrying amount of the preferred stock is accounted as deemed dividend distribution and subtracted from net loss.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments." This pronouncement, along with subsequent ASUs issued to clarify provisions of ASU 2016-13, changes the impairment model for most financial assets and will require the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities will be required to estimate the lifetime expected credit loss on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. In developing the estimate for lifetime expected credit loss, entities must incorporate historical experience, current conditions, and reasonable and supportable forecasts. This pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019. On November 19, 2019, the FASB issued ASU No. 2019-10, Financial Instruments—Credit Losses (Topic 326), finalized various effective date delays for private companies, not-for-profit organizations, and certain smaller reporting companies applying the credit losses (CECL), the revised effective for fiscal years beginning after December 15, 2022. The Company does not expect that this guidance will have a significant impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes ("ASU 2019-12"), which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, Income Taxes, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. ASU 2019-12 is effective for fiscal years beginning after December 15, 2021. Most amendments within the standard are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. There is no significant impact from adopting ASU 2019-12 on the Company's financial condition, results of operations, and cash flows.

In April 2021, The FASB issued ASU 2021-04 to codify the final consensus reached by the Emerging Issues Task Force (EITF) on how an issuer should account for modifications made to equity-classified written call options (hereafter referred to as a warrant to purchase the issuer's common stock). The guidance in the ASU requires the issuer to treat a modification of an equity-classified warrant that does not cause the warrant to become liability-classified as an exchange of the original warrant for a new warrant. This guidance applies whether the modification is structured as an amendment to the terms and conditions of the warrant or as termination of the original warrant and issuance of a new warrant. The Company adopted this guidance for the fiscal year beginning April 1, 2022. There is no significant impact from adopting ASU 2021-04 on the Company's financial condition, results of operations, and cash flows.

(Expressed in US Dollars)

The Company continue to evaluate the impact of the new accounting pronouncement, including enhanced disclosure requirements, on our business processes, controls and systems.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at March 31, 2023	As at March 31, 2022
	$	$
Trade and other payables	3,435,123	1,159,477
Accrued liabilities	1,607,353	1,436,270
	5,042,476	2,595,747

Trade and other payables and accrued liabilities as at March 31, 2023 and 2022 included $446,771 and $2,851, respectively, due to a shareholder, who is a director and executive of the Company.

5. CONVERTIBLE PROMISSORY NOTES AND SHORT TERM LOANS

	Fiscal Year	
	2023	2022
	$	$
Balance, beginning of year	1,540,000	2,617,798
Conversion to common shares (Note 9)	(555,600)	(10,309,000)
Redemption of convertible notes	(126,680)	—
Convertible note extinguishment	(500,000)	—
New issuance of convertible note, net of discounts	2,335,243	—
New issuance of short-term loan and promissory notes, net of discounts	2,444,480	—
Repayment of short-term loans	(440,470)	—
Accretion and amortization of discounts	77,495	9,231,202
Balance, end of year	4,774,468	1,540,000

Interest expense on the above debt instruments was $111,040 and $546,878 for the years ended March 31, 2023 and 2022, respectively.

Series A Convertible Promissory Notes*:*

During the year ended March 31, 2021, the Company issued $11,275,500 (face value) in two series of convertible promissory notes (the "Series A Notes") sold under subscription agreements to accredited investors. The Notes mature one year from the final closing date of the offering and accrue interest at 12% per annum.

For first series of Series A Notes, commencing six months following the Issuance Date, and at any time thereafter (provided the Holder has not received notice of the Company's intent to prepay the note), at the sole election of the Holder, any amount of the outstanding principal and accrued interest of this note (the "Outstanding Balance") could be converted into that number of shares of Common Stock equal to: (i) the Outstanding Balance divided by (ii) 75% of the volume weighted average price of the Common Stock for the 5 trading days prior to the Conversion Date (the conversion price).

For the first series of Series A Notes, the notes would automatically convert into common stock (in each case, subject to the trading volume of the Company's common stock being a minimum of $500,000 for each trading day in the 20 consecutive trading days immediately preceding the conversion date), upon the earlier to occur of (i) the Company's common stock being listed on a national securities exchange, in which event the conversion price would be equal to 75% of the volume weighted average price of the common stock for the 20 trading days prior to the conversion date, or (ii) upon the closing of the Company's next equity round of financing for gross proceeds of greater than $5,000,000, in which event the conversion price would be equal to 75% of the price per share of the common stock (or of the conversion price in the event of the sale of securities convertible into common stock) sold in such financing. The Company could, at its discretion redeem the notes for 115% of their face value plus accrued interest.

For second series of Series A Notes, the notes could be converted into shares of common stock, at the option of the holder, commencing six months from issuance, at a conversion price equal to the lower of $4.00 per share or 75% of the volume weighted average price of the common stock for the five trading days prior to the conversion date

For the second series of Series A Notes, the notes would automatically convert into common stock (in each case, subject to the trading volume of the Company's common stock being a minimum of $500,000 for each trading day in the 20 consecutive trading days immediately preceding the conversion date), upon the earlier to occur of (i) the Company's common stock being listed on a national securities exchange, in which event the conversion price would be equal to the lower of $4.00 per share or 75% of the volume weighted average price of the common stock for the 20 trading days prior to the conversion date, or (ii) upon the closing of the Company's next equity round of financing for gross proceeds of greater than $5,000,000, in which event the conversion price would be equal to the lower of $4.00 per share or 75% of the price per share of the common stock (or of the conversion price in the event of the sale of securities convertible into common stock) sold in such financing. The Company could, at its discretion redeem the notes for 115% of their face value plus accrued interest.

The Company was obligated to issue warrants that accompany the convertible notes and provide 50% warrant coverage. The warrants have a 3-year term from date of issuance and an exercise price that is 120% of the 20-day volume weighted average price of the Company's common shares at the time final closing.

The Company was obligated to pay the placement agent of the first series of Series A Notes a 12% cash fee for $8,925,500 (face value) of the notes and 2.5% cash fee and other sundry expenses for the remaining $2,350,000 (face value) of the notes.

Net proceeds to the Company from Series A Notes issuance up to March 31, 2021 amounted to $10,135,690 after payment of the relevant financing related fees.

The Company was also obligated to issue warrants to the placement agent that have a 10-year term and cover 12% of funds raised for $8,925,550 (face value) of the notes (first series) and 2.5% of funds raised for the remaining $2,350,000 (face value) of notes (second series), with an exercise price that is 120% of the 20-day volume weighted average price of the Company's common shares at the time final closing. On final closing, which occurred on January 8, 2021, the warrants' exercise price was struck at $1.06 per share.

Prior to January 8, 2021 (final closing date), the Company determined that the conversion and redemption features contained in those Notes represented a single compound derivative liability that meets the requirements for liability classification under ASC 815. The Company accounted for these obligations by determining the fair value of the related derivative liabilities associated with the embedded conversion and redemption features.

For the Series A Notes, The Company recognized debt issuance costs in the amount of $2,301,854 and treated these as a deduction from the convertible note liabilities directly, as a contra-liability, and amortized the debt issuance cost over the term of the Notes. The Company also recognized initial debt discount in the amount of $8,088,003 and accreted the interest over the remaining lives of those Notes. The debt issuance costs were fully amortized as of March 31, 2022.

On December 30, 2022, the Company exchanged $500,000 of Series A Notes along with its outstanding interest accrual of $121,500 into a new convertible note with the same note holder. The new convertible note has principal of $621,500, stated interest rate of 12% per annum, as well as option to convert outstanding principal and accrued interest at the conversion price, calculated at 75% multiplied by the average of the three lowest closing prices during the previous ten trading days prior to the receipt of the conversion notice. The new convertible note matures on December 30, 2023. The Company had concluded that this exchange transaction is an extinguishment of the original convertible note. Therefore, the Company recorded the new convertible note at fair value, which was its face value of $621,500 net of a discount of $64,636. The difference between the fair value of the original convertible note immediately prior to the extinguishment and the fair value of the new convertible note is $64,636. This amount was recorded as a gain upon debt extinguishment and was included in other income on the consolidated statements of operations and comprehensive loss. In addition, the Company had assessed fair value of the derivative liability associated with the conversion option on the original note immediately before the modification, as well as the fair value of the derivative liability associated with the new convertible note. The difference $14,083 was recognized as other expense [Note 8].

As of March 31, 2023, the remaining unamortized discount on Series A convertible notes was $49,393.

As of March 31, 2023, the Company recorded $74,912 of interest accruals for the Series A Notes. In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

Series B Convertible Notes

In addition, during the year ended March 31, 2021, the Company also issued $1,312,500 (face value) of convertible promissory notes ("Series B Notes") to various accredited investors.

Commencing six months following the issuance date, and at any time thereafter, subject to the Company's Conversion Buyout clause, at the sole election of the holder, any amount of the outstanding principal and accrued interest of the note (the "outstanding balance") could be converted into that number of shares of Common Stock equal to: (i) the outstanding balance divided by (ii) the Conversion Price. Partial conversions of the note shall have the effect of lowering the outstanding principal amount of the note. The holder may exercise such conversion right by providing written notice to the Company of such exercise in a form reasonably acceptable to the Company (a "conversion notice"). Conversion price means (subject in all cases to proportionate adjustment for stock splits, stock dividends, and similar transactions), seventy-five percent (75%) multiplied by the average of the three (3) lowest closing prices during the previous ten (10) trading days prior to the receipt of the conversion notice.

The Series B Notes will automatically convert into common stock upon a merger, consolidation, exchange of shares, recapitalization, reorganization, as a result of which the Company's common stock shall be changed into another class or classes of stock of the Company or another entity, or in the case of the sale of all or substantially all of the assets of the Company other than a complete liquidation of the Company. Within the first 180 days after the issuance date, the Company may, at its discretion redeem the notes for 115% of their face value plus accrued interest. The Company is obligated to issue warrants that accompany the convertible notes and provide 50% warrant coverage. The warrants have a 3-year term from date of issuance and an exercise price that is $1.06 per share for 100,000 warrant shares and $1.5 per share for 212,500 warrant shares.

Net proceeds to the Company from convertible note issuances to March 31, 2021 amounted to $1,240,000 after the original issuance discount as well as payment of the financing related fees. The Company determined that the conversion and redemption features contained in the Series B Notes represented a single compound derivative liability that meets the requirements for liability classification under ASC 815. The Company accounted for these obligations by determining the fair value of the related derivative liability associated with the embedded conversion and redemption features.

The Company recognized debt issuance costs in the amount of $10,000 and treated these as a deduction from the convertible note liabilities directly, as a contra-liability, and amortized the debt issuance cost over the term of the Series B Notes. The Company recognized initial debt discount in the amount of $1,312,500 and accreted the interest over the remaining lives of those notes. The debt issuance costs were fully amortized as of March 31, 2022.

During the year ended March 31, 2022, $472,500 (face value) of Series B Notes were converted into 207,516 common shares. As at March 31, 2022, $840,000 of Series B Notes remained unconverted and outstanding, which was equal to the face value of the relevant convertible notes.

During the year ended March 31, 2023, $555,600 (face value) of Series B Notes were converted into 761,038 common shares (Note 9 d).

During the year ended March 31, 2023, $126,680 (face value) of Series B Notes were redeemed by cash payment of $145,682. The redemption price was determined in accordance to the Series B note agreement, where the Company has an option to redeem the note at 115% of its principal value instead of converting the note upon receipt of a conversion notice. The difference between the redemption cash payment and the book value of the note redeemed, including the derivative liability associated to the note, was $24,408, and was recognized as a gain upon convertible note repayment.

As of March 31, 2023, the Company recorded accrued interest in the amount of $84,863 related to the Series B Notes. In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

In total, as at March 31, 2023, the Company had issued $821,500 and $157,720 for Series A and Series B notes, respectively, out of which $200,000 and $157,720 for Series A and Series B notes remained outstanding beyond their contractual maturity date. These continued to accrue interest, and no repayment demand notification was received from noteholders, notwithstanding the fact that these noteholders have continued to convert portions of these notes subsequently; and it is management's expectation that all of these notes will eventually convert. In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

Series C Convertible Notes

During the three months ended March 31, 2023, the Company issued $590,000 (face value) in convertible promissory notes (the "Series C Notes") sold under subscription agreements to accredited investors. The Notes mature one year from the final closing date of the offering and accrue interest at 15% per annum.

For Series C Notes, commencing six months following the Issuance Date, and at any time thereafter, at the sole election of the Holder, any amount of the outstanding principal and accrued interest of this note (the "Conversion Amount") could be converted into that number of shares of Common Stock equal to: the Conversion Amount divided by the "Optional Conversion Price", which is defined as lower of (i) seventy-five percent (75%) of the VWAP for the five (5) Trading Days prior to the Conversion Date, or (ii) eighty percent (80%) of the gross sale price per share of Common Stock (or conversion or exercise price per share of Common Stock of any Common Stock Equivalents) sold in a Qualified Financing.

For Series C Notes, "Mandatory Conversion" of the notes would convert into common stock at the applicable "Mandatory Conversion Price", if either (i) on each of any twenty (20) consecutive Trading Days (the "Measurement Period") (A) the closing price of the Common Stock on the applicable Trading Market is at least $3.00 per share and (B) the dollar value of average daily trades of the Common Stock on the applicable Trading Market is at least $400,000 per Trading Day; or (ii) upon the closing of a Qualified Financing, provided that the dollar value of average daily trades of the Common Stock on the applicable National Exchange on each of the ten (10) consecutive Trading Days following such closing is at least $400,000 per Trading Day. Mandatory Conversion Price means, in the case of a Mandatory Conversion under situation (i) above, seventy percent (70%) of the VWAP over the Measurement Period, or in the case of a Mandatory Conversion under situation (ii) above, eighty percent (80%) of the gross sale price per share of Common Stock (or conversion or exercise price per share of Common Stock of any Common Stock Equivalents) sold in a Qualified Financing.

The Company was obligated to issue warrants that accompany the convertible notes and provide 100% warrant coverage. The warrants have a 4-year term from date of issuance and an exercise price that is 200% of the 5-day volume weighted average price of the Company's common shares at the time final closing.

The Company was obligated to pay the placement agent of the first series of Series C Notes a 10% cash fee for the face value of the notes.

The Company was also obligated to issue warrants to the placement agent that have a 10-year term and cover 8% of face value of the notes, with an exercise price that equals to the 5-day volume weighted average price of the Company's common shares at the time final closing.

Net proceeds to the Company from Series C Notes issuance up to March 31, 2023 amounted to $501,000 after payment of the relevant financing related fees.

Prior to the final closing date, the Company determined that the conversion features contained in those Note, as well as the obligations to issue investor warrants and placement agent warrants represented a single compound derivative liability that meets the requirements for liability classification under ASC 815. The Company accounted for these obligations by determining the fair value of the related derivative liabilities associated with the embedded conversion features, as well as the obligations related to investor warrant and placement agent warrant issuance.

For the Series C Notes, The Company recognized debt issuance costs of $89,000 and treated these as debt discounts. The Company also recognized additional debt discount in the amount of $501,000 in connection with the recognition of derivative liabilities for the conversion features, investor warrants and placement agent warrants. The debt discounts are recorded as a contra liability against the convertible note, and are amortized and recognized as accretion expenses using the effective interest method over the remaining lives of the Notes. Since total debt discount amount cannot exceed total gross proceeds, the Company recognized $184,417 accretion expenses up front, which represents the amount of total derivative liabilities upon initial recognition of $685,417 less net proceeds of Series C Notes of $501,000.

As of March 31, 2023, the Company recorded accrued interest in the amount of $2,598 related to the Series C Notes.

As of March 31, 2023, the remaining unamortized discount on Series C convertible notes was $578,589.

Other Convertible Notes

On January 23, 2023, the Company issued $2,000,000 (face value) in convertible promissory notes (the "Other Convertible Notes") to an accredited investor. The Notes mature 18 months from the issuance date. This note bears interest rate at a fixed rate of 10% in the form of stock with a striker price equal to the closing stock price on the note issuance date. Therefore, the Company issued 270,270 units of common stock in lieu of interest on this convertible note. These stocks were valued at $221,621 and was recognized as a deferred cost on the convertible note, recorded as a contra liability against the convertible note, and was amortized and recognized as accretion expense using the effective interest rate method over the remaining lives of the Other Convertible Notes.

The conversion of the Other Convertible Notes is automatic upon a Qualified Financing which is in the control of the Company, or at maturity of the notes, upon mutual agreement by the note holder and the Company. Since the conversion is not in control of the holder of the note, the Company did not recognize a derivative liability in connection with the conversion option of the Other Convertible Notes.

As of March 31, 2023, the remaining unamortized discount on Other Convertible Notes was $186,404.

Other Short-term loans and Promissory Notes

In December 2022, the Company entered into a short-term bridge loan agreement with a collateralized merchant finance company that advanced gross proceeds of $400,000, prior to the deduction of issuance costs in the amount of $9,999. The issuance costs were recognized as a debt discount and amortized via the effective interest method. The term of the finance agreement is 40 weeks. The Company is required to make weekly payments of $13,995 ($560,000 in the aggregate). As of March 31, 2023, the amount of principal outstanding was $275,462. The remaining unamortized issuance cost discount was $6,142. The Company has an option to repay the loan earlier to receive a discount on total repayment. If the Company repays within 30 days, the total repayment is $512,000. If the Company repays within 60 days, the total repayment is $520,000. If the Company repays within 90 days, the total repayment is $528,000.

In December 2022, the Company also entered into a short term collateralized bridge loan agreement with a finance company that advanced gross proceeds of $800,000, prior to the deduction of issuance costs in the amount of $32,000. The issuance costs were recognized as a debt discount and amortized via the effective interest method. The term of this second agreement is 40 weeks. The Company is required to make weekly payments of $29,556 ($13,999 for the first four weeks, and $1,120,000 in the aggregate). As of March 31, 2023, the amount of principal outstanding under this agreement was $620,418 and the remaining unamortized issuance cost discount was $20,800. The Company has an option to repay the loan earlier and receive a discount on total repayment. The total repayment amount becomes $920,000 if repaid within 30 days, $944,000 if repaid within 60 days, $968,000 if repaid within 90 days, $1,000,000 if repaid within 120 days, and $1,088,000 if repaid within 150 days.

In December 2022, the Company entered into a promissory note agreement with an individual investor that resulted in gross proceeds of $600,000 (the "Principal Amount"). The note has a fixed rate of interest at 25% per annum payable monthly on the first day of every month. This promissory note matures on December 15, 2023, when the Principal Amount is due. The note has various default provisions which would, if triggered, result in the acceleration of the Principal Amount plus any accrued and unpaid interest. The note also has a 3% early payment penalty provision. As of March 31, 2023, the amount of principal outstanding on the note was $600,000, and accrued interest outstanding on the note was $12,312.

On December 30, 2022, the Company extinguished 306,604 warrants (Note 9f) that were originally issued to Series A Convertible Note holders, and replaced these warrants with a new promissory note issued to the same warrant holder. The new promissory note has principal balance of $270,000, stated interest of zero, and matures on June 30, 2023. The Company is obligated to repay 50% of the principal balance on March 31, 2023, and the rest of the promissory notes on the maturity date. The fair value of this new promissory note was $248,479 as of the issuance date, which was calculated using a discount rate that was comparable to other loan issuance at the same time as well as the market bond rates at the time of the promissory note issuance. The difference between the fair value of the new note and its principal balance was $21,521, and was recognized as a discount, and will be amortized via effective interest rate method. The Company compared the fair value of the extinguished warrants immediately prior to extinguishment against the fair value of the new promissory note issued. The difference between these fair values is $176,711, and was recognized as other expense on the income statement. As of March 31, 2023, the obligation to repay 50% of the principal balance was waived and amount of principal outstanding on the note was $270,000, and the remaining unamortized discount was $7,304.

On March 29, 2023, the Company entered into an additional collateralized bridge loan agreement with a finance company that advanced gross proceeds of $300,000, prior to the deduction of issuance costs in the amount of $12,000. The issuance costs were recognized as a debt discount and would be amortized via the effective interest method. The term of this agreement is 40 weeks. The Company is required to make weekly payments of $5,250 for the first four weeks, and $11,083 for the remaining 36 weeks, which is $420,000 in aggregate. As of March 31, 2023, the amount of principal outstanding under this agreement was $300,000 and the remaining unamortized issuance cost discount was $12,000. The Company has an option to repay the loan earlier and receive a discount on total repayment. The total repayment amount becomes $345,000 if repaid within 30 days, $354,000 if repaid within 60 days, $363,000 if repaid within 90 days and $375,000 if repaid within 120 days.

6. TERM LOAN AND CREDIT AGREEMENT

Term Loan

On December 21, 2021, the Company entered into a Credit Agreement ("Credit Agreement") with SWK Funding LLC ("Lender'); as part of this, the Company has borrowed $12.4 million, with a maturity date of December 21, 2026. The principal will accrue interest at the LIBOR Rate plus 10.5% per annum (subject to adjustment as set forth in the Credit Agreement). Interest payments are due on each February, May, August and November commencing February 15, 2022. Pursuant to the Credit Agreement, the Company will be required to make interest only payments for the first 24 months (which may be extended to 36 months under prescribed circumstances), after which payments will include principal amortization that accommodates a 40% balloon principal payment at maturity. Prepayment of amounts owing under the Credit Agreement are allowed under prescribed circumstances. Pursuant to the Credit Agreement the Company is subject to an Origination Fee in the amount of $120,000. Upon Termination of the Credit Agreement, the Company shall pay an Exit Fee of $600,000.

As part of the loan transaction, the Company paid legal and professional costs directly in connection to the debt financing in the amount of $50,000 in cash.

Total costs directly in connection to the debt financing in the amount of $193,437 (professional fee $48,484; lender's origination fee, due diligence fee, and other expenses in the amount of $144,953) was deduced from the gross proceeds in the amount of $12,000,000.

The Company also repaid $1,574,068 of existing short-term loan and promissory notes and relevant accrued interests by using the proceeds from the loan.

Total costs directly in connection to the loan and fair value of warrants was in the amount of $1,042,149. And such costs were accounted as debt discount, and amortized using the effective interest method. The amortization of such debt discount was included in the accretion and amortization expenses. For the years ended March 31, 2023 and 2022, the amortization of debt discount expense was $202,138 and $54,822 respectively.

Total interest expense on the term loan for the years ended March 31, 2023 and 2022 $1,646,903 and $379,500, respectively. During November 2022, the unpaid interest of $364,000 was added to the outstanding principal balance, since then interest onwards would be calculated on the updated principal balance.

The Company had accrued interest payable of $239,614 and $164,833, respectively, as of March 31, 2023 and March 31, 2022.

The Company and Lender also entered into a Guarantee and Collateral Agreement ("Collateral Agreement") wherein the Company agreed to secure the Credit Agreement with all of the Company's assets. The Company and Lender also entered into an Intellectual Property Security Agreement dated December 21, 2021 (the "IP Security Agreement") wherein the Credit Agreement is also secured by the Company's right title and interest in the Company's Intellectual Property.

In connection with the Credit Agreement, the Company issued 57,536 warrants to the Lender, which were fair-valued at $198,713 at issuance (Note 9). The warrants are accounted as a deduction from liability as well as a credit into additional paid-in capital, and amortized using the effective interest method.

At March 31, 2023, the Company was not in compliance with certain covenants of the term loan, for which it sought and received relief from the term loan lender.

7. FEDERALLY GUARANTEED LOAN

Economic Injury Disaster Loan ("EIDL")

In April 2020, the Company received $370,900 from the U.S. Small Business Administration (SBA) under the captioned program. The loan has a term of 30 years and an interest rate of 3.75% per annum, without the requirement for payment in its first 12 months. The Company may prepay the loan without penalty at will.

In May 2021, the Company received an additional $499,900 from the SBA under the same terms.

As of March 31, 2023, the Company recorded accrued interest of $65,247 for the EIDL loan (March 31, 2022: $44,233).

Interest expense on the above loan was $32,654 and $44,233 for the years ended March 31, 2023 and 2022, respectively.

(Expressed in US Dollars)

8. DERIVATIVE LIABILITIES

On December 19, 2019 and January 9, 2020, the Company issued 7,830 Series A preferred shares; 6,000 of these were issued for cash proceeds of $6,000,000 and 1,830 of these were issued on conversion of $1,830,000 of promissory notes that had previously been issued for cash proceeds in October 2019.

On May 22, 2020, another 215 Series A preferred shares were issued as a result of a combined transaction that included the conversion of $100,000 in promissory notes and $15,000 in accrued interest for 115 preferred shares, as well as a purchase of 100 preferred shares for cash proceeds of $100,000.

During the three months ended September 30, 2021, an additional 100 Series A preferred shares were issued for cash proceeds of $100,000 (Note 9 d).

During the three months ended December 31, 2021, the Company redeemed $230,000 preferred shares through cash. The total amount of the preferred shares redeemed and derivative liabilities derecognized was $225,919. The difference of redemption value of $230,000 and the carrying value of preferred shares on the day of redemption was $4,081 was recognized as a deemed dividend distribution.

In addition, during the three months ended December 31, 2021, the Company converted $715,000 preferred shares into 288,756 common shares. The difference between the total amount of the preferred shares converted, derivative liabilities derecognized and unpaid interests at the time of conversion ($1,076,513), and the fair value of the common shares converted ($1,226,406) was $149,893 and was recognized as deemed dividend distribution.

During the three months ended June 30, 2022, the Company redeemed $328,904 preferred shares through cash. The total amount of the preferred shares redeemed and derivative liabilities derecognized was $296,032. The difference of redemption value of $328,904 and the carrying value of preferred shares on the day of redemption was $32,872 and was recognized as a deemed dividend distribution

During the three months ended September 30, 2022, the Company redeemed $69,852 preferred shares through cash. The total amount of the preferred shares redeemed and derivative liabilities derecognized was $65,062. The difference of redemption value of $69,852 and the carrying value of preferred shares on the day of redemption was $4,790 and was recognized as a deemed dividend distribution.

During the three months ended December 31, 2022, the Company redeemed $496,800 preferred shares through cash. The total amount of the preferred shares redeemed and derivative liabilities derecognized was $469,116. The difference of redemption value of $496,800 and the carrying value of preferred shares on the day of redemption was $27,684 and was recognized as a deemed dividend distribution.

The Company analyzed the compound features of variable conversion and redemption embedded in the preferred shares instrument, for potential derivative accounting treatment on the basis of ASC 820 (Fair Value in Financial Instruments), ASC 815 (Accounting for Derivative Instruments and Hedging Activities), Emerging Issues Task Force ("EITF") Issue No. 00–19 and EITF 07–05, and determined that the embedded derivatives should be bundled and valued as a single, compound embedded derivative, bifurcated from the underlying equity instrument, treated as a derivative liability, and measured at fair value.

	Fiscal Year 2023 **$**	**Fiscal Year 2022** **$**
Derivative liabilities, beginning of year	352,402	410,042
New issuance	-	17,084
Change in fair value of derivatives during the Year	459,699	398,111
Reduction due to preferred shares redeemed	(53,036)	(472,835)
Derivative liabilities, end of year	759,065	352,402

The lattice methodology was used to value the derivative components, using the following assumptions:

	Fiscal Year 2023	Fiscal Year 2022
Dividend yield (%)	**12**	12
Risk-free rate for term (%)	**1.90 – 4.40**	1.63 - 1.71
Volatility (%)	**82.2 – 108.2**	101.7 - 110.5
Remaining terms (Years)	**0.5 – 1.12**	3.17 - 4.00
Stock price ($ per share)	**0.45 – 1.77**	2.27 - 3.98

In addition, the Company recorded derivative liabilities related to the conversion and redemption features of the convertible notes, as well as warrants that were issued in connection with the convertible notes (Note 5). Any noteholder and placement agent warrants that were issued after the finalization of exercise price was accounted for as equity.

	Fiscal Year 2023 $	Fiscal Year 2022 $
Balance beginning of year	520,747	3,633,856
New Issuance	685,417	
Conversion to common shares	(192,794)	(3,398,557)
Change in fair value of derivative liabilities	24,174	285,448
Convertible note modification	14,082	—
Convertible note redemption	(43,410)	—
Balance end of year	1,008,216	520,747

The Monte-Carlo methodology was used to value the convertible note and warrant derivative components, using the following assumptions:

	Fiscal Year 2023	Fiscal Year 2022
Risk-free rate for term (%)	**4.10 – 4.70**	0.40 - 1.37
Volatility (%)	**92.2 – 94.5**	66.1 - 80.3
Remaining terms (Years)	**1.34 – 1.59**	0.12 - 0.29
Stock price ($ per share)	**0.46 – 0.78**	2.27 - 3.98

9. STOCKHOLDERS' DEFICIENCY

(a) ***Authorized and Issued Stock***

As at March 31, 2023, the Company is authorized to issue 125,000,000 (March 31, 2022 – 125,000,000) shares of common stock ($0.001 par value), and 10,000,000 (March 31, 2022 – 10,000,000) shares of preferred stock ($0.001 par value), 20,000 of which (March 31, 2022 – 20,000) are designated shares of Series A preferred stock ($0.001 par value)

At March 31, 2023, common shares and shares directly exchangeable into equivalent common shares that were issued and outstanding totaled 52,514,582 (2022 – 51,277,040) shares; these were comprised of 51,047,864 (2022 – 49,810,322) shares of common stock and 1,466,718 (2022 – 1,466,718) exchangeable shares. At March 31, 2023, there were 6,304 Series A shares of Preferred Stock that were issued and outstanding (2022 – 7,200). There is also one share of the Special Voting Preferred Stock issued and outstanding held by one holder of record, which is the Trustee in accordance with the terms of the Trust Agreement and outstanding as at March 31, 2023 and 2022.

(b) Exchange Agreement

On February 2, 2016, the Company was formed through reverse-take-over:

- The Company issued approximately 1.197 shares of its common stock in exchange for each common share of iMedical held by the iMedical shareholders who in general terms, are not residents of Canada (for the purposes of the Income Tax Act (Canada). Accordingly, the Company issued 13,376,947 shares;
- Shareholders of iMedical who in general terms, are Canadian residents (for the purposes of the Income Tax Act (Canada)) received approximately 1.197 Exchangeable Shares in the capital of Exchangeco in exchange for each common share of iMedical held. Accordingly, the Company issued 9,123,031 Exchangeable Shares;
- Each outstanding option to purchase common shares in iMedical (whether vested or unvested) was exchanged, without any further action or consideration on the part of the holder of such option, for approximately 1.197 economically equivalent replacement options with an inverse adjustment to the exercise price of the replacement option to reflect the exchange ratio of approximately 1.197:1;
- Each outstanding warrant to purchase common shares in iMedical was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of the Company for each warrant, with an inverse adjustment to the exercise price of the warrants to reflect the exchange ratio of approximately 1.197:1
- Each outstanding advisor warrant to purchase common shares in iMedical was adjusted, in accordance with the terms thereof, such that it entitles the holder to receive approximately 1.197 shares of the common stock of the Company for each advisor warrant, with an inverse adjustment to the exercise price of the Advisor Warrants to reflect the exchange ratio of approximately 1.197:1; and
- The outstanding 11% secured convertible promissory notes of iMedical were adjusted, in accordance with the adjustment provisions thereof, as and from closing, so as to permit the holders to convert (and in some circumstances permit the Company to force the conversion of) the convertible promissory notes into shares of the common stock of the Company at a 25% discount to purchase price per share in Biotricity's next offering.

Issuance of common stock, exchangeable shares and cancellation of shares in connection with the reverse takeover transaction as explained above represents recapitalization of capital retroactively adjusting the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.

(***c) Series (A) Preferred Stock***

The number of Series A Preferred Stock issued and outstanding as of March 31, 2023 and 2022 was 6,304 and 7,200, respectively.

The Series A Preferred Stock is junior to the Company's existing undesignated preferred stock, and unless otherwise set forth in the applicable certificate of designations, shall be junior to any future issuance of preferred stock. The purchase price (the "Purchase Price") for the Series A Preferred Stock to date has been $1,000 per share. Except as otherwise expressly required by law, the Series A Preferred Stock does not have voting rights and does not have any liquidation rights.

Preferred Stock Dividends

Dividends shall be paid at the rate of 12% per annum of the amount of the Series A Preferred Stockholder's (the "Holder") Purchase Price. Dividends shall be paid quarterly unless the Holder and the Company mutually agree to accrue and defer any such dividend.

Conversion

The Series A Preferred Stock is convertible into shares of common stock commencing 24 months after the issuance date of the Series A Preferred Stock. Upon which, on a monthly basis, up to 5% of the aggregate amount of the Purchase Price can be converted (subject to adjustment for changes in the Holder's ownership of the underlying Series A Preferred Stock). The conversion price is equal to the greater of $.001 or a 15% discount to the volume-weighted average price ("VWAP") of the Company's common stock five Trading Days immediately prior to the conversion date (the "Conversion Rate). Additionally, subject to certain provisions, the Holder may exchange its Series A Preferred Stock into any common stock financing being conducted by the Company at a 15% discount to the pricing of that financing.

Other Adjustments and Rights

- The Conversion Rate (and shares issuable upon conversion of the Series A Preferred Stock) will be appropriately adjusted to reflect stock splits, stock dividends business combinations and similar recapitalization.

- The Holders shall be entitled to a proportionate share of certain qualifying distributions on the same basis as if they were holders of the Company's common stock on an as converted basis.

Company Redemption

The Company may redeem all or part of the outstanding Series A Preferred Stock after one year from the date of issuance by paying an amount equal to the aggregate Purchase Price paid, adjusted for any reduction in Series A Preferred Stock holdings, multiplied by 110% plus accrued dividends

(d) Share issuances

Share issuances during the year ended March 31, 2022

During the year ended March 31, 2022, the Company issued 4,696,083 common shares (not including 19,263 shares that were part of to be issued shares from prior year conversions) in connection with conversion of convertible notes. The total amounts of debts settled is in amount of $14,522,812 that composed of face value of convertible promissory notes in amount of $10,309,000, carrying amount of conversion and redemption feature derived from notes in amount of $3,398,557 and unpaid interest in amount of $815,255. The fair value of the shares issued was determined based on the market price upon conversion and was in the amount of $15,678,454. The difference between amounts of debts settled and fair value of common shares issued was in the amount of $1,155,642 and was recorded as loss on conversion of convertible promissory notes in the consolidated statement of operations and comprehensive loss.

During the year ended March 31, 2022, the Company issued 658,355 common shares in connection with warrant exercises for cash, and 446,370 common shares in connection with cashless warrant exercises (Note 9f). In addition, the Company issued 451,688 common shares for services provided (not including 250,000 that were part of to be issued shares from prior year commitment). The fair value of common shares issued for services provided was $1,414,449. The fair value of common shares was determined based on the fair value on the date of approval of common share issuance.

During the year ended March 31, 2022, the Company issued 69,252 common shares for cash proceeds of $250,000, which were initially received as a promissory note, and paid through the issuance common shares within the same quarter.

During the year ended March 31, 2022, the Company issued 5,382,331 common shares in connection with the equity financing that was concurrent with its listing on the Nasdaq Capital Market, for total net cash proceeds of $14,545,805.

During the year ended March 31, 2022, an additional 100 Series A preferred shares were issued for cash proceeds of $100,000. The Company issued 288,756 common shares as a result of preferred share conversions (Note 8).

During the year ended March 31, 2022, the Company also issued an aggregate of 1,423,260 shares of its common stock to investors as part of the one-for-one exchange of previously issued exchangeable shares into the Company's Common Stock, which is a non-cash transaction.

Share issuances during the three months ended June 30, 2022

During the three months ended June 30, 2022, the Company issued 404,545 common shares in connection with conversion of convertible notes (Note 5). The total amounts of debts settled is in amount of $406,118 that composed of face value of convertible promissory notes in amount of $302,000 (Note 5), carrying amount of conversion and redemption feature derived from notes in amount of $104,118. The fair value of the shares issued and to be issued was determined based on the market price upon conversion and was in the amount of $457,025. The difference, that represented a loss on conversion between amounts of debt settled and fair value of common shares issued, was in the amount of $50,908 and was recorded as loss on conversion of convertible promissory notes in the consolidated statement of operations and comprehensive loss.

During the three months ended June 30, 2022, the Company removed 40,094 of previously to be issued shares, in connection with cancellation of warrant exercises from certain warrant holders. In addition, the Company recognized additional 11,792 shares to be issued for warrant exercise request received but not processed as of quarter end. As a result of the cancellation of to be issued shares, $42,500 was reduced from balance of shares to be issued, and the Company increased the balance of the shares to be issued by $12,500 upon the warrants exercise.

During the three months ended June 30, 2022, the Company issued 4,167 common shares for services received, with a fair value of $7,500.

Share issuances during the three months ended September 30, 2022

During the three months ended September 30, 2022, the Company issued 117,647 common shares in connection with conversion of convertible notes (Note 5). The total amounts of debts settled is in amount of $135,274 that composed of face value of convertible promissory notes in amount of $100,000 (Note 5), carrying amount of conversion and redemption feature derived from notes in amount of $35,274. The fair value of the shares issued and to be issued was determined based on the market price upon conversion and was in the amount of $175,294. The difference, that represented a loss on conversion, between amounts of debts settled and fair value of common shares issued was in the amount of $40,020 and was recorded as loss on conversion of convertible promissory notes in the consolidated statement of operations and comprehensive loss.

During the three months ended September 30, 2022, the Company issued 22,772 common shares for services received, with a fair value of $30,287.

Share issuances during the three months ended December 31, 2022

During the three months ended December 31, 2022, the Company issued 238,846 common shares in connection with the conversion of convertible notes (Note 5). The total amounts of debts settled is in amount of $207,002 that composed of face value of convertible promissory notes in amount of $153,600 (Note 5), carrying amount of conversion and redemption feature derived from notes in amount of $53,402. The fair value of the shares issued and to be issued was determined based on the market price upon conversion and was in the amount of $211,602. The difference, that represented a loss on conversion, between amounts of debts settled and fair value of common shares issued was in the amount of $4,600 and was recorded as loss on conversion of convertible promissory notes in the consolidated statements of operations and comprehensive loss.

In addition, the Company issued 105,263 common shares for services received with a fair value of $112,631 which was recognized as a selling, general and administrative expense with a corresponding credit to additional paid-in capital.

Share issuances during the three months ended March 31, 2023

During the three months ended March 31, 2023, the Company issued 2,240 common shares in connection with a cashless exercise of options. The Company recognized $2 of common shares and debited additional paid in capital for $2.

In addition, the Company issued 270,270 common shares in lieu of interest payment for a new convertible note (Note 5). The fair value of the shares issued was $221,621, which was determined based on closing stock price on the date of share issuance approval. The fair value of shares issued was recognized as a deferred cost, a contra liability to convertible notes, with a corresponding credit to additional paid in capital.

(e) Shares to be issued

During the year ended March 31, 2023, the Company issued 100,094 shares in satisfaction of its obligation of shares to be issued, and moved $77,300 out of the shares to be issued account into the additional paid in capital account. As at March 31, 2023, the Company has 23,723 outstanding shares remaining to be issued in connection with warrant exercises in prior fiscal year.

(f) Warrant issuances, exercises and other activity

Warrant exercises and issuances during the year ended March 31, 2022

During the year ended March 31, 2022, 658,355 warrants were exercised pursuant to receipt of exercise proceeds of $872,292. 446,370 warrants were exercised pursuant to cashless warrant exercise. In addition, $103,950 warrant exercise proceeds receivable was recorded as part of deposit and other receivables as of March 31, 2022.

During the year ended March 31, 2022, the Company issued 212,594 warrants, including 25,000 as compensation for advisor and consultant services, and 187,594 as compensation to an executive of the Company who was not part of the Company stock options plan. The warrant expenses were fair valued at $541,443, and recognized as selling, general and administrative expenses, with a corresponding credit to additional paid-in capital.

During the year ended March 31, 2022, the Company issued 57,536 share purchase warrants to lenders in connection with the term loan (Note 6). The fair value of these warrants, in the amount of $198,713, was recorded as part of the discount of the loan, with a corresponding credit to additional paid-in capital. The warrants were not considered as derivative instruments. The fair value of these warrants was determined by using the Black Scholes model, based on the following key inputs and assumptions: expiry date December 21, 2028, exercise price $6.26, rate of return 1.40%, and volatility 121.71%.

During the year ended March 31, 2022, the Company issued 373,404 share purchase warrants to underwriter. The warrants were not considered as a derivative instrument and were accounted as additional paid-in capital along with the uplisting transaction. The warrants were fair valued at $900,371. The fair value of these warrants was determined by using Black Scholes model, based on the following key inputs and assumptions: expiry date August 26, 2026, exercise price $3.75, rate of returns 0.77%, and volatility 111.9%.

Warrant exercises and issuances during the three months ended June 30, 2022

During the three months ended June 30, 2022, the Company issued 53,827 warrants as compensation to an executive of the Company who was not part of the Company stock options plan. The warrant expenses were fair valued at $77,414, and recognized as selling, general and administrative expenses, with a corresponding credit to additional paid-in capital.

Warrant exercises and issuances during the three months ended September 30, 2022

During the three months ended September 30, 2022, the Company issued 118,282 warrants as compensation to an executive of the Company who was not part of the Company stock options plan. The warrant expenses were fair valued at $77,332, and recognized as selling, general and administrative expenses, with a corresponding credit to additional paid-in capital.

(Expressed in US Dollars)

Warrant issuances and exchanges into other securities during the three months ended December 31, 2022

During the three months ended December 31, 2022, the Company issued 218,785 warrants as compensation to an executive of the Company who was not part of the Company stock options plan. The fair value of the warrants at issuance was $77,780 and was recognized as a selling, general and administrative expense, with a corresponding credit to additional paid-in capital. In addition, the Company added 312,500 warrants to its outstanding warrant schedule in connection with warrants issued to Series B convertible note holders. This has no impact on paid-in capital as the fair value of warrants were already accounted for as part of the original Series B convertible note issuance accounting entries. Lastly, the Company extinguished and exchanged 306,604 warrants for promissory notes [Note 5] that resulted in an adjustment to additional paid-in capital in the amount of $71,768.

Warrant issuances during the three months ended March 31, 2023

None.

Warrant issuances, exercises and expirations or cancellations during the fiscal years ended March 31, 2023 and 2022 as follows:

Warrant activity during the years ended March 31, 2023 and 2022 is indicated below:

	Broker Warrants	Consultant and Noteholder Warrants	Warrants Issued on Convertible Notes	Total
As at March 31, 2021	1,258,495	2,130,555	7,766,652	11,155,702
Expired/cancelled	(150,841)	(298,333)	-	(449,174)
Exercised	(662,389)	(242,500)	(555,029)	(1,459,918)
Issued	430,940	212,594	-	643,534
As at March 31, 2022	876,205	1,802,316	7,211,623	9,890,144
Expired/cancelled	(37,134)	(517,583)	(1,563,980)	(2,118,697)
Exercised	—	—	(318,396)	(318,396)
Issued	—	390,894	—	390,894
As at March 31, 2023	839,071	1,675,627	5,329,247	7,843,945
Exercise Price	$ 1.06 to $6.26	$ 0.45 to $3.15	$ 1.06 to $1.50	
Expiration Date	August 2026 to January 2031	April 2023 to Dec 2032	January 2024 to February 2024	

(g) Stock-based compensation

2016 Equity Incentive Plan

On February 2, 2016, the Board of Directors of the Company approved the Company's 2016 Equity Incentive Plan (the "Plan"). The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Company and by motivating such persons to contribute to the growth and profitability of the Company. The Plan seeks to achieve this purpose by providing for awards in the form of options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares, performance units and other stock-based awards.

(Expressed in US Dollars)

The Plan shall continue in effect until its termination by the board of directors or committee formed by the board; provided, however, that all awards shall be granted, if at all, on or before the day immediately preceding the tenth (10th) anniversary of the effective date. The maximum number of shares of stock that may be issued under the Plan shall be equal to 3,750,000 shares; provided that the maximum number of shares of stock that may be issued under the Plan pursuant to awards shall automatically and without any further Company or shareholder approval, increase on January 1 of each year for not more than 10 years from the effective date, so the number of shares that may be issued is an amount no greater than 20% of the Company's outstanding shares of stock and shares of stock underlying any outstanding exchangeable shares as of such January 1; provided further that no such increase shall be effective if it would violate any applicable law or stock exchange rule or regulation, or result in adverse tax consequences to the Company or any participant that would not otherwise result but for the increase.

During the year ended March 31, 2023, the Company granted 1,713,937 stock options (2022: 596,458 options) with a weighted average grant date exercise price of $1.1007 (2022: $1.5272). The Company recorded stock-based compensation of $647,631 (2022: $913,613) in connection with ESOP 2016 Plan under selling, general and administrative expenses with corresponding credit to additional paid in capital.

As of March 12, 2023, the Company cancelled 1,300,000 of stock options that belongs to CEO (original grant date January 16, 2018, exercise price $5.44, expiry date January 17, 2028) and granted new stock options to the CEO in unit numbers of 350,000, 350,000 and 1,000,000 (exercise price $1.25, $1.75 and $0.81, respectively, expiry date March 12, 2033). The company accounted for this transaction as a stock option modification in accordance to guidance in ASC 718, and recognized an expense of $246,647 immediately upon modification date as a result of such modification. This expense is included in total stock-based compensation expense for the year ended March 31, 2023.

The following table summarizes the stock option activities during the fiscal year ended March 31, 2023:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value[(1)]
Outstanding at March 31, 2022	7,409,714	$ 2.3466	5.75	$ 567,584
Granted	1,713,937	$ 1.1007	9.95	-
Exercised	(2,240)	$ 0.7400	-	-
Expired	(1,333,982)	$ 5.1150	4.83	-
Forfeited	(199,520)	$ 1.0830	6.86	-
Outstanding at March 31, 2023	7,587,909	$ 1.5487	6.30	$ 8,185,321
Vested and expected to vest at March 31, 2023	7,587,909	$ 1.5487	6.30	$ 8,185,321
Vested and exercisable at March 31, 2023	5,763,126	$ 1.6830	5.54	$ 6,990,741

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the fair value of our common stock as of March 31, 2023 and 2022 of $0.47 and $2.27 per share, respectively.

The fair value of each option granted is estimated at the time of grant using multi-nominal lattice model using the following assumptions, for each of the respective years ended March 31**:**

	2023	2022
Exercise price ($)	0.45 – 2.27	2.40-3.98
Risk free interest rate (%)	2.20 – 4.40	0.34 – 2.32
Expected term (Years)	10.0	2.0 – 10.0
Expected volatility (%)	71 – 121.2	106.6 – 129.9
Expected dividend yield (%)	0.00	0.00
Fair value of option ($)	0.36 – 1.995	1.19 – 3.52
Expected forfeiture (attrition) rate (%)	0.00	0.00

(Expressed in US Dollars)

2023 Equity Incentive Plan and the Employee Stock Purchase Plans

On March 31, 2023, the Company adopted the 2023 Equity Incentive Plan (the "2023 Plan"). The 2023 Plan authorizes grants of equity-based and incentive cash awards to eligible participants designated by the 2023 Plan's administrator. The 2023 Plan will be administered by the Compensation Committee of the Company's Board of Directors (the "Board"). An aggregate of 5,000,000 shares of the Company's common stock (the "Common Stock"), plus the number of shares available for issuance under the Company's 2016 Equity Incentive Plan that had not been made subject to outstanding awards, were reserved for issuance under the 2023 Plan. Unless earlier terminated by the Board, the 2023 Plan will remain in effect until all Common Stock reserved for issuance has been issued, provided, however, that all awards shall be granted, if at all, on or before the day immediately preceding the tenth (10th) anniversary of the effective date of the 2023 Plan.

The Company also adopted the Employee Stock Purchase Plan (the "ESPP"). The ESPP allows eligible employees of the Company and the Company's designated subsidiaries the ability to purchase shares of the Company's Common Stock at a discount, subject to various limitations. Under the ESPP, employees will be granted the right to purchase Common Stock at a discount during a series of successive offerings, the duration and timing of which will be determined by the ESPP administrator (the "Administrator"). In no event can any single offering period be longer than 27 months. The purchase price (the "Purchase Price") for each offering will be established by the Administrator. With respect to an offering under Section 423 of the Internal Revenue Code of 1986 ("Section 423 Offering"), in no case may such Purchase Price be less than the lesser of (i) an amount equal to 85 percent of the fair market value on the commencement date, or (ii) an amount not less than 85 percent of the fair market value the on the purchase date. In the event of financial hardship, an employee may withdraw from the ESPP by providing a request at least 20 Business Days before the end of the offering period (the "Offering Period"). Otherwise, the employee will be deemed to have exercised the purchase right in full as of such exercise date. Upon exercise, the employee will purchase the number of whole shares that the participant's accumulated payroll deductions will buy at the Purchase Price. If an employee wants to decrease the rate of contribution, the employee must make a request at least 20 Business Days before the end of an Offering Period (or such earlier date as determined by the Administrator). An employee may not transfer any rights under the ESPP other than by will or the laws of descent and distribution. During a participant's lifetime, purchase rights under the ESPP shall be exercisable only by the participant.

There were no issuances under either the 2023 Plan or the ESPP as of March 31, 2023 and 2022.

10. INCOME TAXES

Income taxes

The provision for income taxes differs from that computed at combined corporate tax rate of approximately 26% as follows:

Income tax recovery

	Year ended March 31, 2023	Year ended March 31, 2022
	$	$
Net loss	(18,658,143)	(29,130,477)
Expected income tax recovery	(4,851,117)	(7,573,924)
Non-deductible expenses	648,813	3,645,962
Other temporary differences	(4,160)	(24,972)
Change in valuation allowance	4,206,464	3,952,934
	—	—

Deferred tax assets

	As at March 31, 2023	As at March 31, 2022
	$	$
Non-capital loss carry forwards	15,421,255	11,214,790
Other temporary differences	12,123	16,283

Valuation allowance	(15,433,378)	(11,231,073)
	—	—

As of March 31, 2023 and 2022, the Company decided that a valuation allowance relating to the above deferred tax assets of the Company was necessary, largely based on the negative evidence represented by losses incurred and a determination that it is not more likely than not to realize these assets, such that, a corresponding valuation allowance, for each respective period, was recorded to offset deferred tax assets.

As of March 31, 2023 and 2022, the Company has approximately $59,312,517 and $43,133,807, respectively, of non-capital losses available to offset future taxable income. These losses will expire between 2035 to 2039.

As of March 31, 2023, and 2022 the Company was not subject to any uncertain tax positions.

11. COMMITMENTS AND CONTINGENCIES

There are no claims against the Company that were assessed as significant, which were outstanding as at March 31, 2023 and, consequently, no provision for such has been recognized in the consolidated financial statements.

(Expressed in US Dollars)

12. OPERATING LEASE RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

The Company has one operating lease primarily for office and administration.

During December 2021, the Company entered into a new lease agreement. The Company paid $85,000 deposit that would be returned at the end of the lease. In December 2022, the Company started a new lease with an additional suite in the same premise as the existing lease.

When measuring the lease obligations, the Company discounted lease payments using its incremental borrowing rate. The weighted-average-rate applied is 11.4%.

Right of Use Asset	2023 $	2022 $
Beginning balance at March 31	1,242,700	66,120
New leases	685,099	1,308,731
Amortization	(340,307)	(132,151)
Ending balance at March 31	1,587,492	1,242,700

Lease Liability	2023 $	2022 $
Beginning balance at March 31	1,330,338	58,257
New leases	685,099	1,308,731
Repayment and interest accretion	(293,342)	(36,650)
Ending balance at March 31	1,722,095	1,330,338
Current portion of operating lease liability	335,608	210,320
Noncurrent portion of operating lease liability	1,386,487	1,120,018

The operating lease expense was $405,496 for the year ended March 31, 2023 (2022: $293,888) and included in the selling, general and administrative expenses.

The following table represents the contractual undiscounted cash flows for lease obligations as at March 31, 2023:

Calendar year	$
2023	394,214
2024	552,293
2025	600,288
2026	565,359
2027 and beyond	-
Total undiscounted lease liability	2,112,154
Less imputed interest	(390,059)
Total	1,722,095

13. PROPERTY AND EQUIPMENT

During the year-ended March 31, 2022, the Company purchased leasehold improvements of $12,928 (useful life: 5 years) as well as furniture & fixtures of $16,839 (useful life: 5 years). There were no purchases of property and equipment during the fiscal year ended March 31, 2023. The Company recognized depreciation expense for these assets in the amount of $5,953 and $2,308 during the years ended March 31, 2023 and 2022, respectively.

Cost	**Office equipment**	**Leasehold improvement**	**Total**
	$	**$**	**$**
Balance at March 31, 2021	—	—	—
Additions	16,839	12,928	29,767

Balance at March 31, 2022	16,839	12,928	29,767
Additions	—	—	—
Balance at March 31, 2023	**16,839**	**12,928**	**29,767**

Accumulated depreciation	**Office equipment**	**Leasehold improvement**	**Total**
	$	**$**	**$**
Balance at March 31, 2021	—	—	—
Depreciation for the year	1,308	1,000	2,308
Balance at March 31, 2022	1,308	1,000	2,308
Depreciation for the year	3,367	2,586	5,953
Balance at March 31, 2023	**4,675**	**3,586**	**8,261**
Net book value			
Balance at March 31, 2022	15,531	11,928	27,459
Balance at March 31, 2023	**12,164**	**9,432**	**21,506**

14. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events up to June 29, 2023, the date the consolidated financial statements were issued, pursuant to the requirements of ASC 855 and has determined the following material subsequent events:

During the period from April 1 to June 29, 2023, the following events occurred:

- The Company issued a further $1 million (face value) Series C Notes, which are convertible promissory notes sold under subscription agreements to accredited investors. The Notes mature one year from the final closing date of the offering and accrue interest at 15% per annum. For additional information, please see Note 5 – Convertible Promissory Notes and Short Term Loans.
- The Company entered into a secured revolving account purchase credit and inventory financing facility with a revolving loan lender, pursuant to which the lender may from time to time purchase certain discrete account receivables from the Company (with full recourse) or may make loans and provide other financial accommodations, the payment of which are guaranteed and secured by certain assets of the Company. In selling accounts receivables to the revolving loan lender, the Company is receiving 85% of their value as an advance of its regular collection of those receivables, limited to $1 million in financing, and expects to receive the remaining balance as part of normal collection activities. The inventory financing provided by this facility was limited to the lower of $0.3 million, or a 40% maximum of inventory balances. On June 29, 2023, the Company had drawn $0.8 million in accounts receivable financing and $0.3 million in inventory financing.

Exhibit 23.1

SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
Park Place Corporate Centre
15 Wertheim Court, Suite 409
Richmond Hill, ON L4B 3H7, Canada
Tel: 905 882 9500 & 416 671 7292
Fax: 905 882 9580
Email: info@srco.ca
www.srco.ca

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-262288) of Biotricity Inc. and its subsidiary of our report dated June 29, 2023 relating to the audited consolidated financial statements of Biotricity Inc., which appear in this Form 10-K.

/s/ SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Ontario, Canada
June 29, 2023

Exhibit 31.1

BIOTRICITY, INC.

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Waqaas Al-Siddiq, certify that:

1. I have reviewed this Annual Report on Form 10-K of Biotricity, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: June 29, 2023

/s/ Waqaas Al-Siddiq

Waqaas Al-Siddiq
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

BIOTRICITY, INC.

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Ayanoglou, certify that:

1. I have reviewed this Annual Report on Form 10-K of Biotricity, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: June 29, 2023

/s/ John Ayanoglou

John Ayanoglou
(principal financial officer and principal accounting officer)

Exhibit 32.1

BIOTRICITY, INC.

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Biotricity Inc. (the "Company") for the fiscal year ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Waqaas Al-Siddiq, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 29, 2023

/s/ Waqaas Al-Siddiq
Waqaas Al-Siddiq
Chief Executive Officer
(principal executive officer)

Exhibit 32.2

BIOTRICITY, INC.

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Biotricity, Inc. (the "Company") for the fiscal year ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Ayanoglou, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 29, 2023

/s/ John Ayanoglou
John Ayanoglou
(principal financial officer and principal accounting officer)