

REFINITIV

# DELTA REPORT

## 10-Q

VMD - VIEMED HEALTHCARE, INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS** 800

<span style="color: yellow;">█</span>	CHANGES	186
<span style="color: pink;">█</span>	DELETIONS	271
<span style="color: green;">█</span>	ADDITIONS	343

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**Form 10-Q**

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

For the quarterly period ended **March 31, 2024** **June 30, 2024**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-38973

**Viemed Healthcare, Inc.**

(Exact name of registrant as specified in its charter)

**British Columbia, Canada**

**N/A**

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification Number)

**625 E. Kaliste Saloom Rd.  
Lafayette, LA 70508**

(Address of principal executive offices, including zip code)

**(337) 504-3802**

(Registrant's telephone number, including area code)

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of exchange on which registered</b>
Common Shares, no par value	VMD	The Nasdaq Stock Market LLC

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 past 90 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 files). 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 an emerging growth company. See 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.

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

As of April 26, 2024July 25, 2024, there were 38,820,76638,825,799 common shares of the registrant outstanding.

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## VIEMED HEALTHCARE, INC.

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March 31, June 30, 2024 and 2023

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## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements

VIEMED HEALTHCARE, INC. CONDENSED CONSOLIDATED BALANCE SHEETS	VIEMED HEALTHCARE, INC. CONDENSED CONSOLIDATED BALANCE SHEETS	VIEMED HEALTHCARE, INC. CONDENSED CONSOLIDATED BALANCE SHEETS
<i>(Expressed in thousands of U.S. Dollars, except outstanding shares)</i>		

	Note	Note	At March 31, 2024	At December 31, 2023	Note	At June 30, 2024	At December 31, 2023
			(Unaudited)	(Unaudited)		(Audited)	(Audited)
<b>ASSETS</b>							
<b>Current assets</b>							
<b>Current assets</b>							
Cash and cash equivalents							
Cash and cash equivalents							
Cash and cash equivalents							
Accounts receivable, net							
Inventory							
Prepaid expenses and other assets							
Prepaid expenses and other assets							
Income tax receivable							
Prepaid expenses and other assets							
<b>Total current assets</b>							
<b>Long-term assets</b>							
Property and equipment, net							
Property and equipment, net							
Property and equipment, net							
Finance lease right-of-use assets							
Operating lease right-of-use assets							
Equity investments							
Debt investment							
Deferred tax asset							
Identifiable intangibles, net							
Goodwill							
Other long-term assets							
<b>Total long-term assets</b>							
<b>TOTAL ASSETS</b>							
<b>LIABILITIES</b>							
<b>LIABILITIES</b>							
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
<b>Current liabilities</b>							
<b>Current liabilities</b>							
Trade payables							
Trade payables							
Trade payables							
Deferred revenue							

Income taxes payable	
Accrued liabilities	
Finance lease liabilities, current portion	
Operating lease liabilities, current portion	
Current portion of long-term debt	
<b>Total current liabilities</b>	
<b>Long-term liabilities</b>	
Accrued liabilities	
Accrued liabilities	
Accrued liabilities	
Finance lease liabilities, less current portion	
Operating lease liabilities, less current portion	
Long-term debt	
<b>Total long-term liabilities</b>	
<b>TOTAL LIABILITIES</b>	
<b>Commitments and Contingencies</b>	
<b>Commitments and Contingencies</b>	
<b>Commitments and Contingencies</b>	
<b>SHAREHOLDERS' EQUITY</b>	
<b>SHAREHOLDERS' EQUITY</b>	
<b>SHAREHOLDERS' EQUITY</b>	
Common stock - No par value: unlimited authorized; 38,816,766 and 38,506,161 issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	
Common stock - No par value: unlimited authorized; 38,816,766 and 38,506,161 issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	
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Common stock - No par value: unlimited authorized; 38,825,799 and 38,506,161 issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	
Additional paid-in capital	
Retained earnings	
<b>TOTAL VIEMED HEALTHCARE, INC.'S SHAREHOLDERS' EQUITY</b>	
Noncontrolling interest in subsidiary	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	

**VIEMED HEALTHCARE, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

*(Expressed in thousands of U.S. Dollars, except share and per share amounts)  
(Unaudited)*

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024	2023
<b>Revenue</b>				<b>Note</b>	<b>Note</b>	<b>2023</b>
<b>Revenue</b>						
<b>Revenue</b>						
Cost of revenue						
Cost of revenue						
Cost of revenue						
<b>Gross profit</b>						
<b>Gross profit</b>						
<b>Gross profit</b>						
<b>Operating expenses</b>						
<b>Operating expenses</b>						
<b>Operating expenses</b>						
Selling, general and administrative						
Selling, general and administrative						
Selling, general and administrative						
Research and development						
Research and development						
Research and development						
Stock-based compensation						
Stock-based compensation						

Stock-based compensation
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Loss (gain) on disposal of property and equipment
Loss (gain) on disposal of property and equipment
Loss (gain) on disposal of property and equipment
Other income, net
Other income, net
Other income, net
<b>Income from operations</b>
<b>Income from operations</b>
Other expense (income), net
<b>Income from operations</b>
<b>Non-operating income and expenses</b>
Income (expense) from investments
Income from equity method investments
Income (expense) from investments
Income from equity method investments
Income from equity method investments
Interest expense (income), net
Interest expense (income), net
Interest expense (income), net
Income (expense) from investments
Interest income (expense), net
<b>Net income before taxes</b>
<b>Net income before taxes</b>
<b>Net income before taxes</b>
Provision for income taxes
Provision for income taxes
Provision for income taxes
<b>Net income</b>
<b>Net income</b>
<b>Net income</b>
<b>Other comprehensive income</b>
<b>Other comprehensive income</b>
<b>Other comprehensive income</b>
<b>Comprehensive income</b>
<b>Comprehensive income</b>
<b>Comprehensive income</b>
Net income attributable to noncontrolling interest
<b>Net income attributable to Viemed Healthcare, Inc.</b>

<b>Net income per share</b>	
<b>Net income per share</b>	
<b>Net income per share</b>	
Basic	
Basic	
Basic	
<b>Diluted</b>	
Diluted	
Diluted	
<b>Weighted average number of common shares outstanding:</b>	
<b>Weighted average number of common shares outstanding:</b>	
<b>Weighted average number of common shares outstanding:</b>	
Basic	
Basic	
Basic	
<b>Diluted</b>	
Diluted	
Diluted	

See accompanying notes to the condensed consolidated financial statements

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**VIEMED HEALTHCARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

*(Expressed in thousands of U.S. Dollars, except share and per share amounts)*

*(Unaudited)*

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Common Stock	Common Stock	Additional paid-in capital	Total Shareholders' equity
Shares			
Shares			
Shares			
<b>Shareholders' equity, December 31, 2022</b>			
Shareholders' equity, December 31, 2022			
Shareholders' equity, December 31, 2022			
Stock-based compensation - options			
Stock-based compensation - options			

Stock-based compensation - options  
Stock-based compensation - restricted stock  
Stock-based compensation - restricted stock  
Stock-based compensation - restricted stock

Exercise of options

Exercise of options  
Exercise of options  
Shares issued for vesting of restricted stock units  
Shares issued for vesting of restricted stock units  
Shares issued for vesting of restricted stock units

Shares redeemed to pay income tax

Shares redeemed to pay income tax  
Shares redeemed to pay income tax  
Net income  
Net income  
Net income

**Shareholders' equity, March 31, 2023**

**Shareholders' equity, March 31, 2023**  
**Shareholders' equity, March 31, 2023**  
Stock-based compensation - options  
Stock-based compensation - options  
Stock-based compensation - options  
Share-based compensation - restricted stock  
Share-based compensation - restricted stock  
Share-based compensation - restricted stock  
Exercise of options  
Exercise of options  
Exercise of options  
Shares issued for vesting of restricted stock units  
Shares issued for vesting of restricted stock units  
Shares issued for vesting of restricted stock units  
Shares redeemed to pay income tax  
Shares redeemed to pay income tax  
Shares redeemed to pay income tax  
Net income  
Net income  
Net income  
**Shareholders' equity, June 30, 2023**  
**Shareholders' equity, June 30, 2023**  
**Shareholders' equity, June 30, 2023**

**Common Stock**  
**Common Stock**  
**Common Stock**

Common Stock	Additional paid-in capital	Total Shareholders' equity
Shares	Shares	Shares
<b>Shareholders' equity, December 31, 2023</b>		
Shareholders' equity, December 31, 2023		
Shareholders' equity, December 31, 2023		
Stock-based compensation - options		
Stock-based compensation - options		
Stock-based compensation - options		
Stock-based compensation - restricted stock		
Stock-based compensation - restricted stock		
Stock-based compensation - restricted stock		
Exercise of options		
Exercise of options		
Exercise of options		
Shares issued for vesting of restricted stock units		
Shares issued for vesting of restricted stock units		
Shares issued for vesting of restricted stock units		
Shares redeemed to pay income tax		
Shares redeemed to pay income tax		
Shares redeemed to pay income tax		
Net income		
Net income		
Net income		
<b>Shareholders' equity, March 31, 2024</b>		
<b>Shareholders' equity, March 31, 2024</b>		
<b>Shareholders' equity, March 31, 2024</b>		
Stock-based compensation - options		
Stock-based compensation - options		
Stock-based compensation - options		
Stock-based compensation - restricted stock		
Stock-based compensation - restricted stock		
Stock-based compensation - restricted stock		
Exercise of options		
Exercise of options		
Exercise of options		
Shares issued for vesting of restricted stock units		
Shares issued for vesting of restricted stock units		
Shares issued for vesting of restricted stock units		
Shares redeemed to pay income tax		
Shares redeemed to pay income tax		
Shares redeemed to pay income tax		

Acquired noncontrolling interest
Acquired noncontrolling interest
Acquired noncontrolling interest
Net income
Net income
Net income
<b>Shareholders' equity, June 30, 2024</b>
<b>Shareholders' equity, June 30, 2024</b>
<b>Shareholders' equity, June 30, 2024</b>

See accompanying notes to the condensed consolidated financial statements

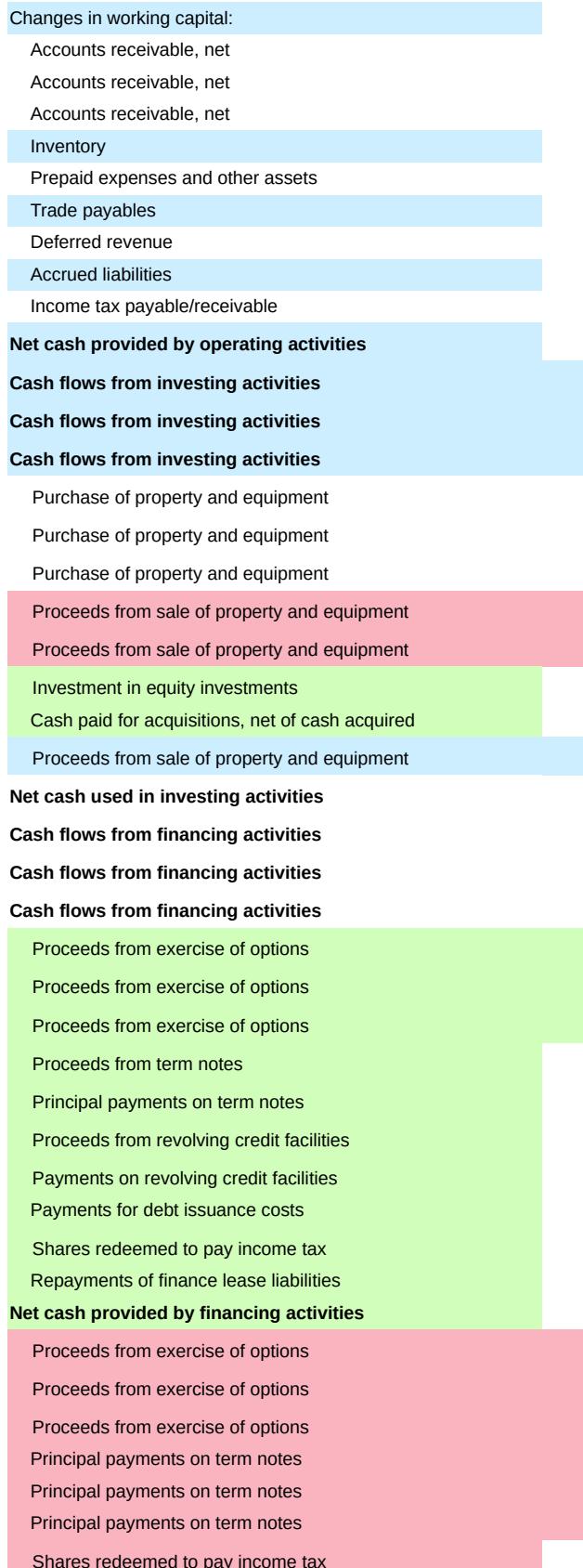
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**VIEMED HEALTHCARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of U.S. Dollars)  
(Unaudited)

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		Three Months Ended March 31,		Six Months Ended June 30,	
	Note	Note	2024	2023	Note
<b>Cash flows from operating activities</b>					
Net income					
Net income					
Net income					
Adjustments for:					
Depreciation and amortization					
Depreciation and amortization					
Depreciation and amortization					
Stock-based compensation expense					
Stock-based compensation expense					
Stock-based compensation expense					
Distributions of earnings received from equity method investments					
Distributions of earnings received from equity method investments					
Distributions of earnings received from equity method investments					
Income from equity method investments					
Income from debt investment					
Loss (income) from debt investment					
Loss (gain) on disposal of property and equipment					
Amortization of deferred financing costs					
Deferred income tax benefit					



Repayments of finance lease liabilities
Repayments of finance lease liabilities
Repayments of finance lease liabilities
<b>Net cash provided by (used in) financing activities</b>
<b>Net cash provided by (used in) financing activities</b>
<b>Net cash provided by (used in) financing activities</b>
Net increase (decrease) in cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
<b>Net increase (decrease) in cash and cash equivalents</b>
Net decrease in cash and cash equivalents
Net decrease in cash and cash equivalents
<b>Net decrease in cash and cash equivalents</b>
Cash and cash equivalents at beginning of year
Cash and cash equivalents at end of period
Supplemental disclosures of cash flow information
Supplemental disclosures of cash flow information
<b>Supplemental disclosures of cash flow information</b>
Cash paid during the period for interest
Cash paid during the period for interest
Cash paid during the period for interest
<b>Cash received during the period for income tax refunds</b>
Cash paid during the period for income taxes, net of refunds
Supplemental disclosures of non-cash transactions
Supplemental disclosures of non-cash transactions
<b>Supplemental disclosures of non-cash transactions</b>
Equipment and other fixed asset purchases payable at end of period
Equipment and other fixed asset purchases payable at end of period
Equipment and other fixed asset purchases payable at end of period
Equipment sales receivable at end of period

See accompanying notes to the condensed consolidated financial statements

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**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*  
*(Unaudited)*

**March 31, June 30, 2024 and 2023**

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**1. Nature of Business and Operations**

Viemed Healthcare, Inc. (the "Company"), through its subsidiaries, is a provider of home medical equipment ("HME") and post-acute respiratory healthcare services in the United States. The Company's service offerings are focused on effective in-home treatment with clinical practitioners providing therapy and counseling to patients in their homes using cutting edge technology. The Company serves patients in all 50 states of the United States. The Company was incorporated under the Business Corporations Act (British Columbia) on December 14, 2016. The Company's registered and records office is located at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2Z7 and its corporate office is located at 625 E. Kaliste Saloom Road, Lafayette, Louisiana 70508.

The Company no longer qualifies as a "smaller reporting company" and is required to comply with the larger company disclosure obligations (subject to certain exemptions and relief from various reporting requirements that are applicable to emerging growth companies) beginning in this Quarterly Report on Form 10-Q.

The Company is an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"), and as such, has elected to comply with certain reduced U.S. public company reporting requirements.

The Company's common shares are traded on the Nasdaq Capital Market under the symbol "VMD".

## 2. Summary of Significant Accounting Policies

### **Principles of Presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The accompanying condensed consolidated financial statements are unaudited, but reflect all adjustments consisting of normal recurring accruals, which, in the opinion of management, are necessary to present fairly the Company's Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Income and Comprehensive Income, Condensed Consolidated Statements of Changes in Shareholders' Equity and Condensed Consolidated Statements of Cash Flows for the interim periods presented. The Company's fiscal year ends on December 31. The Condensed Consolidated Balance Sheet as of December 31, 2023 was derived from audited consolidated financial statements but does not include all disclosures required by GAAP. These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements and the notes thereto and the report of the Company's independent registered public accounting firm included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The nature of the Company's business is such that the results of any interim period may not be indicative of the results to be expected for the entire year.

### **Basis of Consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, subsidiaries in which it has a controlling financial interest. All intercompany transactions have been eliminated.

### **Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases these estimates and assumptions upon historical experience, existing and known circumstances, authoritative accounting pronouncements and other factors that management believes to be reasonable. Significant areas requiring the use of management estimates relate to revenue recognition, accounts receivable, income tax provisions, the fair value of financial instruments, and goodwill. Actual results could differ from these estimates.

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**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*

*(Unaudited)*

**March 31, June 30, 2024 and 2023**

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***Segment Reporting***

The Company's chief operating decision-makers ("CODMs") are its Chief Executive Officer and Chief Operating Officer, who make resource allocation decisions and assess performance based on financial information presented on an aggregate basis. There are no segment managers who are held accountable by the chief operating decision-makers, or anyone else, for any planning, strategy and key decision-making regarding operations. The corporate office is responsible for contract negotiation with vendors and payors, corporate compliance with healthcare laws and regulations, and revenue cycle management, among other corporate supporting functions. Accordingly, the Company has a single reportable segment and operating segment structure based on ASC 280, *Segment Reporting*.

***Accounts Receivable***

Accounts receivable and net revenues are based on contractually agreed-upon rates for services provided, reduced by estimated adjustments, including variable consideration for implicit price concessions for sales revenue. Inherent in these estimates is the risk that they will have to be revised or updated as additional information becomes available. The complexity of third-party billing arrangements and laws and regulations governing Medicare and Medicaid may result in adjustments to amounts originally recorded.

The Company performs a periodic analysis to review the valuation of accounts receivable and collectability of outstanding balances. These estimates are determined utilizing historical realization data under a portfolio approach, which is then assessed by management to evaluate whether adjustments should be made based on accounts receivable aging trends, other operating trends, and relevant business conditions such as governmental and managed care payor claims processing procedures.

The Company records a reserve for estimated probable losses as part of net rental revenue adjustments in order to report rental revenue at an expected collectable amount based on the total portfolio of operating lease receivables for which collectability has been deemed probable. The accounts receivable are presented on the Condensed Consolidated Balance Sheets net of the adjustments.

Receivables are considered past due when not collected by established due dates. Specific patient balances are written off after collection efforts have been followed and the account has been determined to be uncollectible. Revisions in reserve estimates are recorded as an adjustment to net revenue in the period of revision. The estimates of the allowance for uncollectible accounts was \$14.4 **15.9** million and \$11.1 million as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

Included in accounts receivable at **March 31, 2024** **June 30, 2024** are amounts due from Medicare and Medicaid representing 25% and 2%, respectively, and 27% combined, of total outstanding **net** receivables. As of December 31, 2023, 32% of total outstanding **net** receivables were amounts due from Medicare and Medicaid.

***Inventory***

Inventory represents non-serialized supplies that consist of equipment parts, consumables, and associated product supplies and is expensed at the time of sale or use. The Company values inventory at the lower of cost or net realizable value. Obsolete and unserviceable inventories are valued at estimated net realizable value.

***Property and Equipment***

Property and equipment is presented on the Condensed Consolidated Balance Sheets at historic cost less accumulated depreciation. Major renewals and improvements that extend the useful life of assets are capitalized to the respective property accounts, while maintenance and repairs, which do not extend the useful life of the respective assets, are expensed as incurred. Management has estimated the useful lives of equipment leased to customers. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Property and equipment are depreciated on a straight-line basis over their estimated useful lives.

Depreciation of medical equipment commences at the date of service, which represents the date that the asset has been delivered to a patient and is put in use and continues through the useful life of the asset. Property and equipment with definite useful lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

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**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*

*(Unaudited)*

**March 31, June 30, 2024 and 2023**

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***Equity Investments***

Equity investments on the Condensed Consolidated Balance Sheets are comprised of an investment accounted for under the equity method and equity investments without readily determinable fair values accounted for under the measurement alternative described in ASC 321-10-35-2.

The following table details the Company's equity investments:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Equity method investments		
Other equity investments		
<b>Balance, end of period</b>		

The Company's equity method investments include a 49% equity interest in Solvet Services, LLC, an entity which provides health care support services to state and federal governments. Investments accounted for under the equity method are investments in unconsolidated entities over whose operating and financial policies the Company has the ability to exercise significant influence but not control. Equity method investments are initially measured at cost in the Condensed Consolidated Balance Sheets with any subsequent adjustments made to the carrying amount of the investment for the Company's proportionate share of income or loss. Distributions received from the investee reduce the Company's carrying value of the investment. The Company has recognized its share of income or loss on the gain (loss) from equity method investments within non-operating expenses in the Condensed Consolidated Statements of Income and Comprehensive Income. Equity method investments are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of the investments may exceed the fair value. No events or changes have occurred as of March 31, 2024 June 30, 2024 that would impair the carrying value of equity method investments.

Other equity investments are investments without a readily determinable fair value which do not qualify for the practical expedient in ASC 820. For these investments, the Company has elected the measurement alternative which measures the investment at cost, less any impairment. ASU 2019-04 clarifies that if an entity identifies observable price changes in orderly transactions for the identical or a similar investment of the same issuer, it must measure its equity investment at fair value in accordance with ASC 820 as of the date that the observable transaction occurred. The Company was not aware of any impairment or observable price change adjustments that needed to be made as of March 31, 2024 June 30, 2024 on its investments in equity securities without a readily determinable fair value.

***Debt Investment***

The Company's debt investment is a variable rate secured convertible note issued by Healthcare DX, Inc. (d/b/a ModoHealth) on December 21, 2022, and is classified as an available-for-sale debt instrument. Accrued interest is due upon the 18 month maturity of the note and is included in the amortized cost basis at each reporting period. At each financial statement date until a conversion event, the debt instrument is required to be remeasured at fair value. Changes in unrealized gains and losses are included accounted for in accumulated other comprehensive income, net of tax effect, until realized. When changes are

determined to be other than temporary in nature, the Company recognizes an other than temporary impairment expense in earnings equal to the difference between the debt security's amortized cost basis and its fair value at the balance sheet date.

#### **Intangible Assets**

Intangible assets include trade names and other identifiable intangible assets, which are amortized on a straight-line basis over a period of their expected useful lives, generally five years.

#### **Comprehensive Income**

Comprehensive income reflects the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company's comprehensive income represents net income adjusted for unrealized gains and losses, net of tax. Accumulated other comprehensive loss is presented on the accompanying Condensed Consolidated Balance Sheets as a component of shareholders' equity.

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## **VIEMED HEALTHCARE, INC.**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*

*(Unaudited)*

**March 31, 2024 and 2023**

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#### **Revenue Recognition**

Revenues are principally derived from the rental and sale of HME products and services to patients.

##### **Rental revenues**

Revenue generated from equipment that is rented to patients is recognized over the non-cancellable rental period (typically one month) and commences on delivery of the equipment to the patients. The lease agreements are evaluated at lease commencement and the start of each monthly renewal period to determine if it is reasonably certain that the monthly renewal or purchase options would be exercised. The exercise of monthly renewal or purchase options by a patient has historically not been reasonably certain to occur at lease commencement or subsequent monthly renewal.

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## **VIEMED HEALTHCARE, INC.**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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Revenues are recorded at amounts estimated to be received under reimbursement arrangements with **third-party** payors, including private insurers, prepaid health plans, Medicare, Medicaid and patients. Rental revenue, less estimated adjustments, is recognized as earned on a straight-line basis over the non-cancellable lease term. Rental of patient equipment is billed on a monthly basis beginning on the date the equipment is delivered. Since deliveries can occur on any day during a month, the amount of billings that apply to the next month are deferred.

The Company's lease agreements generally contain lease components and non-lease components, which primarily relate to supplies. The Company has made the accounting policy election to account for a lease component of an agreement and its associated non-lease components as a single lease component based on the Company's assessment of classification of the lease based on the consideration in the contract for the combined component.

#### *Sales and Services revenues*

Revenue related to sales of equipment and supplies is recognized on the date of delivery as this is when control of the promised goods is transferred to patients and is presented net of applicable sales taxes. Revenues are recorded only to the extent it is probable that a significant reversal will not occur in the future as amounts may include implicit price concessions under reimbursement arrangements with **third-party** payors, including private insurers, prepaid health plans, Medicare, Medicaid and patients. The sales transaction price is determined based on contractually agreed-upon rates, adjusted for estimates of variable consideration. The expected value method is used in determining the variable consideration as part of determining the sales transaction price using historical reimbursement experience, historical sales returns, and other operating trends. Payment terms and conditions vary by contract. The timing of revenue recognition, billing, and cash collection generally results in billed and unbilled accounts receivable.

Revenues associated with external staffing services are accrued on an hourly basis and are recorded based on the determination of whether the Company is acting as a principal or an agent. In arrangements in which the Company manages customers' supplemental workforce needs utilizing its own network of healthcare professionals, the Company is determined to be a principal and includes the contractual gross billings in revenues with a corresponding increase to cost of revenues for worksite employee payroll costs associated with these services. Alternatively, when the Company acts as agent in the performance of workforce management, revenue is recorded based on contractually agreed upon fees or commissions with no associated cost of revenues.

The revenues from each major source are summarized in the following table:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024	2023	2023	2024	2023
<b>Revenue from rentals</b>									
<b>Revenue from rentals</b>									
<b>Revenue from rentals</b>									
Ventilator rentals, non-invasive and invasive									
Ventilator rentals, non-invasive and invasive									
Ventilator rentals, non-invasive and invasive									
<b>Other home medical equipment rentals</b>									
Other home medical equipment rentals									
Other home medical equipment rentals									
<b>Revenue from sales and services</b>									
<b>Revenue from sales and services</b>									
<b>Revenue from sales and services</b>									
Equipment and supply sales									
Equipment and supply sales									
Equipment and supply sales									
Service revenues									

Service revenues
Service revenues
<b>Total revenues</b>
<b>Total revenues</b>
<b>Total revenues</b>

Revenues from Medicare as percentages of the Company's total revenue for the six months ended June 30, 2024 and 2023 were 43% and 45%, respectively.

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Revenues from Medicare as percentages of the Company's total revenue for the three months ended March 31, 2024 and 2023 were 43% and 45%, respectively.

**Stock-Based Compensation**

The Company accounts for its stock-based compensation in accordance with ASC 718, "Compensation—Stock Compensation", which establishes accounting for share-based awards exchanged for employee services and requires companies to expense the estimated fair value of these awards over the requisite employee service period. Stock-based compensation costs for stock options are determined at the grant date using the Black-Scholes option pricing model. Stock-based compensation costs for restricted stock units ("RSUs") are determined at the grant date based on the closing stock price. The expense of such stock-based compensation awards is recognized using the graded vesting attribution method over the vesting period and the offsetting credit is recorded as an increase in additional paid-in capital. Forfeitures are recorded as incurred. Any excess tax benefit or deficiency is recognized as a component of income taxes and within operating cash flows upon vesting of the share-based award.

For the Company's phantom share units settled in cash, the Company computes the fair value of the phantom share units using the closing price of the Company's stock at the end of each period and records a liability based on the percentage of requisite service.

**Income Taxes**

The Company is subject to income taxes in numerous U.S. jurisdictions. **Significant judgment is required in determining the provision for income taxes.** The Company's income tax provisions reflect management's interpretation of country and state tax laws. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and may remain uncertain for several years after their occurrence. The Company recognizes assets and liabilities for taxation when it is probable that the Company will receive refunds from or pay taxes to the relevant tax authority. Where the final determination of tax assets and liabilities is different from the amounts that were initially recorded, such differences will impact the current and deferred income taxes provision in the period in which such a determination is made. Changes in tax law or changes in the way tax law is interpreted may also impact the Company's effective tax rate as well as the Company's business and operations.

Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to temporary differences between the financial statement carrying value of assets and liabilities and their respective income tax bases. Deferred income tax assets or liabilities are measured using enacted

income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. The calculation of current and deferred income taxes requires management to make estimates and assumptions and to exercise a certain amount of judgment concerning the carrying value of assets and liabilities. The current and deferred income tax assets and liabilities are also impacted by expectations about future operating results and the timing of reversal of temporary differences as well as possible audits of tax filings by regulatory agencies. Changes or differences in these estimates or assumptions may result in changes to the current and deferred tax assets and liabilities on the Condensed Consolidated Balance Sheets and a charge to or recovery of income tax expense.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. The effect of a change in the enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates. At each reporting period end, deferred tax assets are evaluated for recoverability based on whether it is more likely than not that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

#### **Business Combinations**

The Company applies the acquisition method of accounting for business acquisitions. The results of operations of the business acquired by the Company are included as of the respective acquisition date. The acquisition-date fair value of the consideration transferred, including the fair value of any contingent consideration, is allocated to the underlying assets acquired, and liabilities assumed, and noncontrolling interest in the acquiree based upon their estimated fair values at the date of acquisition. To the extent the acquisition-date fair value of the consideration transferred exceeds the fair value of the identifiable tangible and intangible assets acquired, and liabilities assumed, and any noncontrolling interests, such excess is allocated to goodwill. Patient relationships, medical records and patient lists are not reported as separate intangible assets due to the regulatory requirements and lack of contractual agreements but are part of goodwill. Customer related relationships are not reported as separate intangible assets but are part of goodwill as authorizing physicians are under no obligation to refer the Company's services to their patients, who are free to change physicians and service providers at any time. The Company may adjust the preliminary purchase price allocation, as necessary, as it obtains more information regarding asset valuations and liabilities assumed that existed but were not available at the acquisition date, which is generally up to one year after the acquisition closing date. Acquisition related costs are recognized separately from the business combination and are expensed as incurred.

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### **VIEMED HEALTHCARE, INC.** **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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the acquisition closing date. Acquisition related costs are recognized separately from the business combination and are expensed as incurred.

#### **Impairment of Goodwill and Long-Lived Assets**

Goodwill resulting from business combinations is not amortized, rather, it is assessed for impairment annually and upon the occurrence of a triggering event or change in circumstances indicating a possible impairment. Such triggering events potentially warranting an annual or interim goodwill impairment assessment include, among other factors, declines in historical or projected revenue, operating income or cash flows, and sustained decreases in the Company's stock price or market capitalization. Such changes in circumstance can include, among others, changes in the legal environment, reimbursement environment, operating performance, and/or future prospects.

The Company performs its annual impairment assessment of goodwill during the fourth quarter of each year. The impairment assessment can be performed on either a quantitative or qualitative basis. The Company first assesses qualitative factors to determine whether it is necessary to perform a quantitative goodwill impairment analysis. If determined necessary, the Company applies the quantitative impairment test to identify and measure the amount of impairment, if any. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors, such as estimates of a reporting unit's fair value and judgment about impairment triggering events. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual or interim goodwill impairment test will prove to be accurate predictions of the future.

For the year ended December 31, 2023, the Company performed an assessment of qualitative factors and determined that no events or circumstances existed that would lead to a determination that it is more likely than not that the fair value of indefinite-lived assets were less than the carrying amount. As such, a quantitative analysis was not required to be performed and the Company did not record any goodwill impairment charges.

The Company follows ASC Topic 360, which requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the asset group's carrying amounts may not be recoverable. In performing the review for recoverability, if future undiscounted cash flows (excluding interest charges) from the use and ultimate disposition of the assets are less than their carrying values, an impairment loss represented by the difference between its fair value and carrying value, is recognized. When properties are classified as held for sale, they are recorded at the lower of the carrying amount or the expected sales price less costs to sell.

There were no impairment charges to goodwill or long-lived assets recognized during the **three** **six** months ended **March 31, 2024** **June 30, 2024** and **March 31, 2023** **June 30, 2023**.

#### **Net Income per Share Attributable to *Viemed Healthcare, Inc.*'s Common Stockholders**

Basic net income per **common** share is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted net income per **common** share is computed based on the weighted average number of shares of common stock plus the effect of dilutive stock-based awards outstanding during the period using the treasury stock method. Dilutive stock-based awards include outstanding common stock options and time-based RSUs.

See Note 11 for earnings per share computations.

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## **VIEMED HEALTHCARE, INC.** **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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#### **Recently adopted accounting pronouncements**

In September 2022, the FASB issued ASU No. 2022-04, Liabilities — Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations, which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose the key terms of the programs and information about their obligations that are outstanding at the end of the reporting period. The amendments in this update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. The Company adopted this standard during the year ended December 31, 2023, which did not have a material impact on its consolidated financial statements and related disclosures.

#### **Recently issued accounting pronouncements**

The Company is an “emerging growth company” as defined by the JOBS Act. The JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. In other words, an emerging growth company can selectively delay the adoption of all accounting standards until those standards would otherwise apply to private companies. The Company has elected to utilize this exemption and, as a result, the Company’s condensed consolidated financial statements may not be comparable to the financial statements of issuers that are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies. To date, however, the Company has not delayed the adoption of any accounting standards. Section 107 of the JOBS Act provides that the Company can elect to opt out of the extended transition period at any time, which election is irrevocable.

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which is intended to improve the transparency of income tax disclosures by requiring consistent categories and greater

disaggregation of information in the effective tax rate reconciliation and income taxes paid by jurisdiction. The ASU is effective for public business entities' annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting this guidance on its consolidated financial statements.

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### 3. Business Combinations

#### ***East Alabama HomeMed, LLC***

On April 1, 2024, the Company acquired a controlling 60% equity interest in East Alabama HomeMed, LLC ("HomeMed"). The acquisition was accounted for under the acquisition method of accounting in accordance with ASC 805. As a result of the acquisition, goodwill of \$3.2 million and a trade name of \$0.4 million were recognized. The Company expects its portion of the goodwill to be fully tax-deductible. Additionally, a noncontrolling interest of \$1.8 million was recorded at the acquisition date. The accompanying financial statements include the results of HomeMed's operations from the acquisition date. Changes in the noncontrolling interests after the acquisition date are accounted for pursuant to ASC 810, *Consolidation*.

#### ***Home Medical Products, Inc.***

On June 1, 2023, Viemed, Inc., a wholly-owned subsidiary of the Company, completed the acquisition of Home Medical Products, Inc., ("HMP"), which operates in Tennessee, Alabama, and Mississippi. The Company acquired 100% of the equity ownership of HMP in exchange for approximately \$29 million in cash or cash payable, subject to customary post-closing net working capital and other adjustments. *Approximately \$16 million of the purchase consideration was funded by cash on hand, \$8 million was funded by a borrowing on the 2022 Revolving Credit Facility, and \$5 million was funded by a borrowing on the 2022 Term Loan Facility.*

*The results of HMP's operations have been included in the condensed consolidated financial statements since the date of acquisition.*

The following table summarizes the consideration paid and estimated fair values of the assets acquired and liabilities assumed at the acquisition *date, date:*

<b>Purchase Price</b>		
Cash paid	\$	29,417
<b>Identifiable Assets</b>		
Cash and cash equivalents		829
Accounts receivable		2,014
Inventory		582
Prepaid expenses and other assets		498
Property and equipment		4,358
Lease assets		743
Identifiable intangibles		641
Other long-term assets		25
<b>TOTAL ASSETS</b>		<b>9,690</b>
<b>Identifiable Liabilities</b>		
Trade payables		1,985
Deferred revenue		732
Accrued liabilities		1,195
Current portion of lease liabilities		536
Current debt		4,558
Long-term lease liabilities		196
Long-term debt		836
<b>TOTAL LIABILITIES</b>		<b>10,038</b>
<b>Net assets (liabilities) acquired</b>		<b>(348)</b>
<b>Resulting goodwill</b>	<b>\$</b>	<b>29,765</b>

Goodwill resulted from a combination of synergies and cost savings, and further expansion into Tennessee, Alabama, and Mississippi. All of the goodwill is deductible for income tax purposes. There are no contingent consideration arrangements included in the transaction. The results of HMP's operations have been included in the condensed consolidated financial statements since the date of acquisition.

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**4. Property and Equipment**

The Company's fixed assets consist of its medical equipment held for rental, furniture and equipment, real property and related improvements, and vehicles and other various small equipment.

The following table details the Company's fixed assets:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Medical equipment		
Furniture and equipment		
Land		
Buildings		
Leasehold improvements		
Vehicles		
Less: Accumulated depreciation		
<b>Property and equipment, net of accumulated depreciation and amortization</b>		
<b>Property and equipment, net of accumulated depreciation</b>		

Depreciation in the amount of \$5.9 million and \$4.5 million is included in cost of revenue for the three months ended March 31, 2024, June 30, 2024 and 2023, respectively. Medical equipment purchases with a cost of \$2.4 million and \$1.4 million were included in accounts payable at March 31, 2024 for the six months ended June 30, 2024 and December 31, 2023, respectively.

## 5. Current Liabilities

The Company's short-term accrued liabilities are included within current liabilities and consist of the following:

	March 31, 2024	December 31, 2023
Accrued trade payables	\$ 2,994	\$ 3,230
Accrued commissions payable	993	794
Accrued bonuses payable	2,185	7,131
Accrued vacation and payroll	3,554	2,058
Current portion of phantom share liability	1,854	1,867
Accrued other liabilities	2,477	2,498
<b>Total accrued liabilities</b>	<b>\$ 14,057</b>	<b>\$ 17,578</b>

## 6. Debt and Lease Liabilities

	June 30, 2024	December 31, 2023
Accrued trade payables	\$ 3,896	\$ 3,230
Accrued commissions payable	1,062	794
Accrued bonuses payable	4,708	7,131
Accrued vacation and payroll	2,822	2,058
Current portion of phantom share liability	986	1,867
Accrued other liabilities	3,327	2,498
<b>Total accrued liabilities</b>	<b>\$ 16,801</b>	<b>\$ 17,578</b>

## Debt

The following table summarizes the Company's debt as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
2022 Senior Credit Facilities	\$ 6,813	\$ 6,875
Medical equipment financing	\$ 267	\$ 793
Financing costs and commitment fees	(578)	(594)
Current portion	(596)	(1,072)
<b>Long-term portion</b>	<b>\$ 5,906</b>	<b>\$ 6,002</b>

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## VIEMED HEALTHCARE, INC. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 6. Debt and Lease Liabilities

#### Debt

The following table summarizes the Company's debt as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
2022 Senior Credit Facilities	\$ 9,750	\$ 6,875
Medical equipment financing	398	793
Financing costs and commitment fees	(661)	(594)
Current portion	(772)	(1,072)
<b>Long-term portion</b>	<b>\$ 8,715</b>	<b>\$ 6,002</b>

#### 2022 Senior Credit Facilities

On November 29, 2022, the Company refinanced its existing borrowings under the 2018 Senior Credit Facility and entered into a new credit agreement (the "2022 Senior Credit Facilities") with the lenders from time to time party thereto, and Regions Bank, as administrative agent (the "Administrative Agent") and collateral agent, that provides for an up to **\$30.0 million** **\$30.0 million** revolving credit facility (the "2022 Revolving Credit Facility") and an up to **\$30.0 million** **\$30.0 million** delayed draw term loan facility (the "2022 Term Loan Facility"), both maturing in November 2027.

The proceeds of the 2022 Revolving Credit Facility may be used to refinance existing indebtedness, for working capital purposes, capital expenditures and other general corporate purposes (including permitted acquisitions), and to pay transaction fees, costs and expenses related to the 2022 Senior Credit Facilities. The proceeds of the 2022 Term Loan Facility and any additional term loans established in accordance with the 2022 Senior Credit Facilities may be used to finance permitted acquisitions and to pay transaction fees, costs and expenses related to such acquisitions.

The interest rates per annum applicable to the 2022 Senior Credit Facilities are a forward looking term rate based on a secured overnight financing rate ("Term SOFR") plus an applicable margin ranging from 2.625% to 3.375%, or, at the option of the Company, a Base Rate (as defined in the 2022 Senior Credit Facilities) plus an applicable margin, which ranges from 1.625% to 2.375%.

The 2022 Senior Credit Facilities require the Company to comply with certain affirmative, as well as certain negative covenants that, among other things, restrict, subject to certain exceptions, the ability of the Company to incur indebtedness, grant liens, make investments, engage in acquisitions, mergers or consolidations and pay dividends and other restricted payments. The 2022 Senior Credit Facilities also include certain financial covenants, which generally include, but are not limited to the following:

- Consolidated Total Leverage Ratio (defined generally as total indebtedness to adjusted EBITDA) of not greater than (i) for any fiscal quarter ending during the period from the closing date to and including December 31, 2024, 2.75 to 1.0 and (ii) for any fiscal quarter ending on and after March 31, 2025, 2.50 to 1.0, subject to certain adjustments following a material acquisition.
- Consolidated Fixed Charge Coverage Ratio (defined generally as (a) adjusted EBITDA minus capital expenditures minus cash taxes to (b) the sum of scheduled principal payments plus cash interest expense plus restricted payments) of not less than 1.25:1.0.

The Company was in compliance with all covenants under the 2022 Senior Credit Facilities in effect at **March 31, 2024** **June 30, 2024**.

The 2022 Senior Credit Facilities include provisions permitting the Company from time to time to, subject to certain terms and conditions, increase the aggregate amount of commitments under the 2022 Revolving Credit Facility and/or establish one or more additional term loans under the 2022 Term Loan Facility, in each case, with additional commitments from existing lenders or new commitments from financial institutions acceptable to the Administrative Agent in its reasonable discretion; provided, that, (a) the aggregate principal amount of any increases in the 2022 Revolving Credit Facility, and (b) the aggregate principal amount of all additional term loans under the 2022 Term Loan Facility established after the closing date will not exceed **\$30.0 million** **\$30.0 million**.

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Financing costs related to the **issuance and amendments** of 2022 Senior Credit Facilities are capitalized and amortized over the term of the loans using the effective interest method. Upon the initial draw of debt under the 2022 Senior Credit Facilities during the year ended December 31, 2023, the Company reclassified the deferred financing fees previously recorded in other long-term assets to long-term debt in the condensed consolidated balance sheets.

On May 28, 2024, the Company entered into a First Amendment to the 2022 Senior Credit Facilities that (a) extends the delayed draw term loan commitment expiration date to November 29, 2025, from its initial expiration date of May 29, 2024, and (b) provides for other technical amendments. Payment for debt issuance costs associated with the amendment was \$0.2 million during the six months ended June 30, 2024.

**Medical Equipment Financing**

As a result of the acquisition of HMP, the **The Company assumed** enters into medical equipment financing obligations **consisting of installment payments for medical equipment which secure the financing through supplier finance programs**. The financing obligations are **primarily short term in nature and are payable in monthly installments through 2026 and include interest at rates ranging from 0% to 7.99% installments**. As of **March 31, 2024**, **June 30, 2024**, **\$0.30.4 million** of the outstanding medical equipment financing **obligations** is presented on the condensed consolidated balance sheets as short term debt based on the scheduled repayment dates.

**VIEMED HEALTHCARE, INC.**

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**Leases**

The Company has recognized finance lease liabilities for vehicles and operating leases for land and buildings that have terms greater than twelve months, as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Lease liabilities		
Less:		
Current portion of lease liabilities		
Current portion of lease liabilities		
Current portion of lease liabilities		
<b>Net long-term lease liabilities</b>		

**Operating Lease Liabilities**

The Company has recognized operating lease liabilities that relate primarily to the lease of land and buildings. The exercise of lease renewal options is at the Company's sole discretion and is included in the lease term for calculations of its right-of-use assets and liabilities when it is reasonably certain that the Company plans to renew these leases. These lease liabilities are recorded at present value based on a discount rate of ~~5.50%~~<sup>5.5%</sup>, which was based on the Company's incremental borrowing rate at the time of assessment. At ~~March 31, 2024~~<sup>June 30, 2024</sup>, the weighted average lease term was approximately ~~4.36~~<sup>3.88</sup> years.

Future maturities of the Company's operating lease liabilities as of ~~March 31, 2024~~<sup>June 30, 2024</sup> are summarized as follows:

	<b>Lease Liability</b>
2024	
2024	
2024	
2025	
2025	
2025	
2026	
2026	

2026
2027
2027
2027
2028
2028
2028
Thereafter
Thereafter
Thereafter
<b>Total lease payments</b>
<b>Total lease payments</b>
<b>Total lease payments</b>
Less: imputed interest
Less: imputed interest
Less: imputed interest
<b>Present value of lease liabilities</b>
<b>Present value of lease liabilities</b>
<b>Present value of lease liabilities</b>

Operating rental expenses for the **three** six months ended **March 31, 2024** **June 30, 2024** amounted to **\$355,000** **\$0.7 million**.

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## 7. Fair Value Measurement

Under ASC Topic 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). ASC Topic 820 establishes a hierarchy for inputs to valuation techniques used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. There are three levels to the hierarchy based on the reliability of inputs, as follows:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets and liabilities in markets that are not active.

Level 3 - Unobservable inputs for the asset or liability. The degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3.

#### Assets Measured at Fair Value on a Recurring Basis

The Company measures certain assets at fair value on a recurring basis. There were no transfers between fair value measurement levels during any presented period.

The following tables summarize the Company's assets measured at fair value on a recurring basis as of **March 31, 2024** **June 30, 2024** and December 31, 2023:

(In thousands)	(In thousands)	At March 31, 2024			At June 30, 2024				
		Level 1	Level 2	Level 3	Total	(In thousands)	Level 1	Level 2	Level 3
<b>Recurring Fair Value Measurements:</b>									
Money market mutual funds									
Money market mutual funds									
Money market mutual funds									
Available for sale debt instrument									
<b>Total</b>									
(In thousands)	(In thousands)	At December 31, 2023			At December 31, 2023			At December 31, 2023	
		Level 1	Level 2	Level 3	Total	(In thousands)	Level 1	Level 2	Level 3
<b>Recurring Fair Value Measurements:</b>									
Money market mutual funds									
Money market mutual funds									
Money market mutual funds									
Available for sale debt instrument									
<b>Total</b>									
<b>Available for Sale Debt Instrument</b>									

The fair value of the Company's available for sale debt instrument approximates its amortized cost basis due to the short maturity and indexed interest rate terms. The fair value is classified within Level 3 in the fair value hierarchy as the Company evaluates adjustments using a combination of observable and unobservable inputs, such as operating results of the counterparty as well as observable prices in transactions of debt and equity instruments of the issuing counterparty when available. As of **March 31, 2024** **June 30, 2024**, the analysis resulted in no adjustments to the determination that the decline in fair value was an other than temporary impairment (OTTI). Accordingly, the Company recognized an OTTI loss of \$1.3 million in Income (expense) from investments during the quarter ended June 30, 2024. The recognized loss is equal to the carrying value impacting unrealized gains or losses. All changes to measured difference between the debt security's amortized cost basis and its fair value during the period were the result of the balance sheet date, based on management's estimate of accrued interest.

fair value.

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**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*

*(Unaudited)*

**March 31, June 30, 2024 and 2023**

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**Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis**

The Company measures certain assets at fair value on a nonrecurring basis. These assets include equity method investments, other equity investments, and the fair value allocation related to the Company's acquisitions.

Equity method investments are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of the investments may exceed the fair value. The Company's other equity investments are holdings in privately-held companies without a readily determinable market value. The Company remeasures equity securities without readily determinable fair value at fair value when an orderly transaction is identified for an identical or similar investment of the same issuer in accordance with the measurement alternative under Topic 820. ASU 2019-04 states that the measurement alternative is a nonrecurring fair value measurement. Accordingly, other equity investments without readily determinable fair value are classified within Level 3 in the fair value hierarchy because the Company estimates the value using a combination of observable and unobservable inputs, including valuation ascribed to the issuing company in subsequent financing rounds, volatility in the results of operations of the issuers and rights and obligations of the holdings the Company owns. The Company had no material adjustments of equity method investments or other equity investments measured at fair value on a nonrecurring basis during any of the periods presented.

The fair value allocation related to the Company's acquisitions are determined using a discounted cash flow approach, or a replacement cost approach, which are based on significant unobservable inputs (Level 3). These valuation methods required management to make various assumptions, including, but not limited to, future profitability, cash flows, replacement costs, and discount rates. The Company's estimates are based upon historical trends, management's knowledge and experience and overall economic factors, including projections of future earnings potential. Developing discounted future cash flows in applying the income approach requires the Company to evaluate its intermediate to longer-term strategies, including, but not limited to, estimates of revenue growth, operating margins, capital requirements, inflation and working capital management. The development of appropriate rates to discount the estimated future cash flows requires the selection of risk premiums, which can materially impact the present value of future cash flows.

The Company estimated the fair value of acquired identifiable intangible assets using discounted cash flow techniques that included an estimate of future cash flows, consistent with overall cash flow projections used to determine the purchase price paid to acquire the business, discounted at a rate of return that reflects the relative risk of the cash flows. The Company estimated the fair value of certain acquired identifiable intangible assets based on the cost approach using estimated costs consistent with historical experience. The Company believes the estimates and assumptions used in the valuation methods are reasonable.

There were no transfers between fair value measurement levels during any presented period.

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**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*

*(Unaudited)*

**March 31, June 30, 2024 and 2023**

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**8. Shareholders' Equity**

**Authorized Share Capital**

The Company's authorized share capital consists of an unlimited number of common shares, with no stated par value.

#### **Issued and Outstanding Share Capital**

The Company has only one class of stock outstanding, common shares. The authorized stock consists of an unlimited number of common shares with no stated par value, of which 38,816,766 and 38,825,799 shares were issued and outstanding as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

The Company acquired and cancelled 128,362 common shares at a cost of \$1.0 million to satisfy employee income tax withholding associated with RSUs vesting during the three six months ended March 31, 2024 June 30, 2024. The Company's retained earnings were reduced by the amount paid for the shares repurchased and cancelled.

#### **Stock-Based Compensation**

On June 11, 2020 June 6, 2024 (the "Effective Date"), the Company's shareholders approved the Company's 2020 2024 Long Term Incentive Plan (the "Omnibus "2024 Omnibus Plan") to provide an incentive to attract, retain, and reward directors, officers, employees, and consultants who provide services to the Company or any of its subsidiaries. Upon approval All directors, officers, employees, and consultants of the Omnibus Plan, no future awards Company and/or its affiliates are available eligible to be made under the Company's previous RSU and Option Plans (collectively, the "Former Plan"), and the common shares that were not settled or awarded under the Former Plan as of the Effective Date are available for receive awards under the 2024 Omnibus Plan, Plan, subject to its terms. Awards include common share purchase options, restricted stock, stock appreciation rights, performance awards, or other stock-based awards, including restricted stock units, deferred stock units, and dividends and dividend equivalents. The maximum number of common shares that are will be available for awards and issuance under the 2024 Omnibus Plan and that may be reserved for issuance at any time, including under any other security based compensation arrangements adopted by previous plans such as the Company, including 2020 Long Term Incentive Plan (effective June 11, 2020), the Former Amended and Restated Stock Option Plan may not exceed 7,758,211 shares (equal to 20% (effective as of July 17, 2018), the issued Amended and outstanding common shares Restated Restricted Share Unit Plan (effective as of July 17, 2018), and the Company on the Effective Date). Deferred Share Unit Plan (effective July 17, 2018), will be 7,800,000 shares. The maximum amount of the foregoing common shares that may be awarded under the 2024 Omnibus Plan as "incentive stock options" is 2,600,000 1,000,000 common shares. As of March 31, 2024 June 30, 2024, the Company had outstanding options of 4,152,000 4,143,000 and RSUs of 1,524,000 1,538,000 associated with common shares under the Omnibus Plan,existing plans.

The following table summarizes stock-based compensation expense for the three and six months ended March 31, 2024 June 30, 2024 and 2023 (in thousands):

	Three Months Ended March 31,			Six Months Ended June 30,		
	2024	2024	2024	2023	2024	2023
Stock-based compensation - options						
Stock-based compensation - options						
Stock-based compensation - options						
Stock-based compensation - restricted stock units						
Stock-based compensation - restricted stock units						
Stock-based compensation - restricted stock units						
<b>Total</b>						
<b>Total</b>						
<b>Total</b>						

At **March 31, 2024** **June 30, 2024**, there was approximately **\$220,000** **147,000** of total unrecognized pre-tax stock option expense under the Company's equity compensation plans, which is expected to be recognized over a **weighted average** **weighted-average** period of **0.91** **0.67** years. As of **March 31, 2024** **June 30, 2024**, there was approximately **\$8,232,000** **6,782,000** of total unrecognized pre-tax compensation expense related to outstanding time-based restricted stock units that is expected to be recognized over a **weighted average** **weighted-average** period of **0.95** **1.57** years.

**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*

*(Unaudited)*

**March 31, June 30, 2024 and 2023**

**Options**

The following table summarizes stock option activity for the **three** **six** months ended **March 31, 2024** **June 30, 2024**:

	<b>Number of options (000's)</b>	<b>Number of options (000's)</b>	<b>Weighted average exercise price<sup>(1)</sup></b>	<b>Weighted average remaining contractual life</b>	<b>Aggregate intrinsic value<sup>(2)</sup></b>	<b>Number of options (000's)</b>	<b>Weighted average exercise price<sup>(1)</sup></b>	<b>Weighted average remaining contractual life</b>	<b>Aggregate intrinsic value<sup>(2)</sup></b>
<b>Balance</b>									
<b>December</b>									
<b>31, 2023</b>									
Issued									
Exercised									
Exercised									
Exercised									
Expired /									
Forfeited									
Expired /									
Forfeited									
Expired /									
Forfeited									
<b>Balance</b>									
<b>March 31,</b>									
<b>2024</b>									
<b>Balance</b>									
<b>March 31,</b>									
<b>2024</b>									

<b>Balance</b>
<b>March 31,</b>
<b>2024</b>
<b>Balance June</b>
<b>30, 2024</b>
<b>Balance June</b>
<b>30, 2024</b>
<b>Balance June</b>
<b>30, 2024</b>

(1)For presentation purposes, stock options issued with a Canadian dollar exercise price have been translated to U.S. dollars based on the prevailing exchange rate on the date of grant.

(2)The aggregate intrinsic value of options outstanding represents the difference between the exercise price of the option and the closing price of the Company's common shares on the last trading day of the period (d (\$9.43 \$6.55 and \$7.85 on March 31, 2024 June 30, 2024 and December 31, 2023, respectively) respectively).

The aggregate intrinsic value of options outstanding was \$17,423,000 7,198,163 and options exercisable was \$16,278,000 6,888,789 at March 31, 2024 June 30, 2024. For the three six months ended March 31, 2024 June 30, 2024, 60,130 64,130 common shares were issued pursuant to the exercise of stock options.

At March 31, 2024 June 30, 2024, the Company had 3,861,000 3,874,000 exercisable stock options outstanding with a weighted average exercise price of \$5.23 5.24 and a weighted average remaining contractual life of 5.2 years. At December 31, 2023, the Company had 3,461,000 exercisable stock options outstanding with a weighted average exercise price of \$4.99 and a weighted average remaining contractual life of 5.5 years. At December 31, 2023, the Company had 3,461,000 exercisable stock options outstanding with a weighted average exercise price of \$4.99 and a weighted average remaining contractual life of 5.5 years.

The fair value of the stock options has been charged to the Condensed Consolidated Statements of Income and Comprehensive Income and credited to additional paid-in capital over the vesting period, using the grant date fair value based on the Black-Scholes option pricing model. The assumptions used to determine the grant date fair value of stock options include exercise price, risk-free interest rates, expected volatility, and average life of an option. The risk-free interest rates are based on the rates available at the time of the grant for zero-coupon U.S. government issues with a remaining term equal to the option's expected life. The average life of an option is based on both historical and projected exercise and lapsing data. Expected volatility is based on implied volatilities from traded options on the Company's common shares and historical volatility of the Company's common shares over the expected life of the option. There were no issuances of options during the three six months ended March 31, 2024 June 30, 2024.

#### **Restricted Stock Units**

The Company accounts for RSUs using fair value. The fair value of the RSUs has been charged to the Condensed Consolidated Statements of Income and Comprehensive Income and credited to additional paid-in capital over the vesting period, based on the stock price on the date of grant. RSUs vest generally over a one or three-year period. The Company accounts for forfeitures of RSUs under ASU 2016-09 and recognizes forfeitures in the period in which they occur.

The following table summarizes RSU activity for the three six months ended March 31, 2024 June 30, 2024:

	Number of RSUs (000's)	Number of RSUs (000's)	Weighted average grant price	Weighted average remaining contractual life	Aggregate intrinsic value <sup>(1)</sup>	Number of RSUs (000's)	Weighted average grant price	Weighted average remaining contractual life	Aggregate intrinsic value <sup>(1)</sup>
<b>Balance December 31, 2023</b>									
Issued									
Vested									
Vested									
Vested									

Forfeited
Forfeited
Forfeited
<b>Balance</b>
<b>March 31,</b>
<b>2024</b>
<b>Balance</b>
<b>March 31,</b>
<b>2024</b>
<b>Balance</b>
<b>March 31,</b>
<b>2024</b>
<b>Balance June</b>
<b>30, 2024</b>
<b>Balance June</b>
<b>30, 2024</b>
<b>Balance June</b>
<b>30, 2024</b>

(1) The aggregate intrinsic value of time-based RSUs outstanding was based on the closing price of the Company's common shares on the last trading day of the period (\$9.43 and period (\$7.856.55 and \$7.85 on March 31, 2024 June 30, 2024 and December 31, 2023, respectively).

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**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*

*(Unaudited)*

**March 31, June 30, 2024 and 2023**

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During the three months ended March 31, 2024 June 30, 2024, the Company issued 749,900 47,726 RSUs with equal annual vestings over a three year period and a fair value of \$8.39 0.3 million. During the six months ended June 30, 2024, the Company issued 798,000 per share. RSUs with equal annual vestings over a three year period and a fair value of \$6.4 million.

**Phantom Share Units**

The Company has a phantom share unit plan, which it uses for grants to directors, officers, and employees. Phantom share units granted under the plan are non-assignable and are settled in cash at vesting based on the fair value of the Company's common stock on the vesting date. Phantom share units vest annually over a three-year period. The cash-settled phantom share units are accounted for as liability awards and are re-measured at fair value each reporting period until they become vested with accrued liability and related expense being recognized over the requisite service period.

The following table summarizes phantom share unit activity for the three six months ended March 31, 2024 June 30, 2024:

Number of phantom share units (000's)	Number of phantom share units (000's)	Value of share equivalents <sup>(1)</sup>	Number of phantom share units (000's)	Value of share equivalents <sup>(1)</sup>
<b>Balance December 31, 2023</b>				
Issued				
Vested				
Forfeited				
<b>Balance March 31, 2024</b>				
<b>Balance June 30, 2024</b>				

<sup>(1)</sup>The value of outstanding share equivalents at the beginning of the period is based on the market price of the Company's common shares at that time, the value of issued share equivalents is based on the market price of the Company's common shares at issuance, the value of vested share equivalents is based on the cash paid at the time of vesting, and the values of forfeited share equivalents and outstanding share equivalents at the end of the period are based on the market price of the Company's common shares at the end of the period. The market price of the Company's common shares was \$9.43 \$6.55 and \$7.85 on March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

The change in fair value of the phantom share units has been charged to the Condensed Consolidated Statements of Income and Comprehensive Income and recorded as a liability included in accrued liabilities and long-term accrued liabilities. The total liability associated with phantom share units at March 31, 2024 June 30, 2024 is \$2,301,000 \$1,427,000, with \$1,854,000 \$986,000 of this amount included in current accrued liabilities and the remaining portion of \$447,000 \$441,000 included in long-term accrued liabilities.

The impact associated with the fair value re-measurement of phantom share units is recorded in selling, general and administrative expenses within the unaudited Condensed Consolidated Statements of Income and Comprehensive Income. The following table summarizes expense (benefit) associated with the phantom share units for the three and six months ended March 31, 2024 June 30, 2024 and 2023 (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024	Six Months Ended June 30, 2023	2024	2023
Selling, general, and administrative							
Selling, general, and administrative							
Selling, general, and administrative							

The Company paid cash settlements of \$1.0 million \$1.6 million and \$0.6 2.3 million during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively, pertaining to vestings of cash-settled phantom share units.

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**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*  
*(Unaudited)*

June 30, 2024 and 2023

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## **9. Commitments and Contingencies**

The Company accrues estimates for resolution of any legal and other contingencies when losses are probable and reasonably estimable in accordance with ASC 450, Contingencies ("ASC 450"). No less than quarterly, the Company reviews the status of each significant matter underlying a legal proceeding or claim and assess our potential financial exposure. The Company accrues a liability for an estimated loss if the potential loss from any legal proceeding or claim is considered probable and the amount can be reasonably estimated. Significant judgment is required in both the determination of probability and the determination as to whether the amount of an exposure is reasonably estimable, and accruals are based only on the information available to the Company at the time the judgment is made, which may prove to be incomplete or inaccurate or unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions. Furthermore, the outcome of legal proceedings is inherently uncertain, and we may incur substantial defense costs and expenses defending any of these matters.

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**VIEMED HEALTHCARE, INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*  
*(Unaudited)*

March 31, 2024 and 2023

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### **Legal Proceedings**

As previously disclosed, the Company (through its subsidiary Sleep Management LLC) submitted a purchase order (the "Purchase Order") in March 2020 to Vyaire Medical, Inc. d/b/a CareFusion Respiratory Technologies ("Vyaire") for respiratory equipment. The Company ultimately prepaid \$1.4 million towards the delivery of such respiratory equipment. Vyaire was unable or unwilling to deliver the vast majority of the respiratory equipment referenced in the Purchase Order, and also refused to refund the prepayment amount (less the amounts paid for equipment actually received). On November 5, 2020, the Company (through its subsidiary Sleep Management LLC) filed a lawsuit against Vyaire in the 15th Judicial District Court for the Parish of Lafayette, Louisiana (the "State Court") seeking damages for breach of contract and seeking a declaratory judgment that the Company is not required to pay any further funds to Vyaire. Vyaire filed a Reconventional Demand with the State Court alleging breach of contract and seeking damages of \$4.7 million purportedly for the improper cancellation of the Purchase Order. The State Court issued an order on September 5, 2023 granting the Company Partial Summary Judgment finding that Vyaire breached the contract. However, on June 9, 2024, Vyaire and certain of its affiliates filed voluntary bankruptcy under Chapter 11 of the determination Bankruptcy Code in the US Bankruptcy Court for the District of damages resulting from Vyaire's breach was reserved for a non-jury trial. Vyaire has appealed the State Court's Partial Summary Judgment and has filed its opening brief, to which the Company has responded by filing its opposition brief. Delaware.

The Company continues to believe that it has valid legal and equitable grounds claims to recover its outstanding prepayment as a result of Vyaire's failure to deliver the vast majority of the respiratory equipment referenced in the Purchase Order. The Company has determined that However, as a loss related to the Reconventional Demand is not probable, and thus has not accrued a liability related to this claim. Although a loss may be reasonably possible, the Company does not have sufficient information to determine the amount or range of reasonably possible loss with respect to the Reconventional Demand given that the dispute is in the early stages result of the legal process. As bankruptcy filing, collection of March 31, 2024 the outstanding prepaid amounts is no longer determined to be probable. During the three months ended June 30, 2024, outstanding funds receivable in the amount of \$0.9 \$0.9 million related to undelivered respiratory equipment are included within other long-term assets were impaired through Other expense (income).

### **Governmental and Regulatory Matters**

From time to time the Company is involved in various external governmental investigations, audits and reviews. Reviews, audits and investigations of this sort can lead to government actions, which can result in the assessment of recoupment of reimbursement, civil or criminal fines or penalties, or other sanctions, including restrictions or changes in the way the Company conducts business, loss of licensure or exclusion from participation in government healthcare programs.

## 10. Income Taxes

For the **three** **six** months ended **March 31, 2024** **June 30, 2024**, the Company recorded income tax **expense** **expense** of **\$0.5 million** **\$1.3 million**, which includes a discrete tax benefit of \$0.1 million associated with stock-based compensation arrangements. Excluding the impact of the discrete taxes, the effective rate for the **three** **six** months ended **March 31, 2024** **June 30, 2024** is **29.2%****30.9%**. The effective rate differs from the amount computed by applying the statutory federal and state income tax rates to ordinary income before the provision for income taxes due to permanent non-deductible differences. The Company's effective tax rate is based on forecasted annual results which may fluctuate significantly through the rest of the year.

At **March 31, 2024** **June 30, 2024** and 2023, the Company had no amounts recorded for uncertain tax positions and does not expect any material changes in uncertain tax benefits during the next 12 months. The Company recognizes interest and penalties related to income tax matters in income tax expense. The Company is subject to U.S. federal income tax as well as income tax in various states. The Company is generally not subject to examination by taxing authorities for years prior to **2020****2020**.

The Company recognizes deferred tax assets to the extent that the Company believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations.

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## VIEMED HEALTHCARE, INC. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*(Tabular dollar amounts expressed in thousands of U.S. Dollars, except per share amounts)*

*(Unaudited)*

**March 31, June 30, 2024 and 2023**

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## 11. Earnings Per Share

Income per common share is calculated using earnings for the year divided by the weighted average number of shares outstanding during the year. Using the treasury stock method, diluted income per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares by assuming the proceeds received from the exercise of stock options and the vesting of RSUs are used to purchase common shares at the prevailing market rate.

The following reflects the earnings and share data used in the basic and diluted earnings per share computations:

<b>Three Months Ended March 31,</b>
<b>Three Months Ended March 31,</b>
<b>Three Months Ended March 31,</b>
2024
2024

		Three Months Ended June 30,	Six Months Ended June 30,	
	2024	2024	2023	2024 2023
<b>Numerator - basic and diluted:</b>				
<b>Numerator - basic and diluted:</b>				
<b>Numerator - basic and diluted:</b>				
Net income attributable to shareholders				
Net income attributable to shareholders				
<b>Net income attributable to shareholders</b>				
Net income attributable to Viemed Healthcare, Inc.				
Net income attributable to Viemed Healthcare, Inc.				
Net income attributable to Viemed Healthcare, Inc.				
<b>Denominator:</b>				
<b>Denominator:</b>				
<b>Denominator:</b>				
Basic weighted average number of common shares				
Basic weighted average number of common shares				
Basic weighted average number of common shares				
Diluted weighted average number of shares				
Diluted weighted average number of shares				
<b>Diluted weighted average number of shares</b>				
Basic weighted-average number of common shares				
Basic weighted-average number of common shares				
Basic weighted-average number of common shares				
Diluted weighted-average number of shares				
Basic earnings per share				
Basic earnings per share				
Basic earnings per share				
<b>Diluted earnings per share</b>				
Diluted earnings per share				
Diluted earnings per share				
<b>Denominator calculation from basic to diluted:</b>				
<b>Denominator calculation from basic to diluted:</b>				
<b>Denominator calculation from basic to diluted:</b>				
Basic weighted average number of common shares				
Basic weighted average number of common shares				
Basic weighted average number of common shares				
Basic weighted-average number of common shares				
Basic weighted-average number of common shares				
Basic weighted-average number of common shares				
<b>Stock options and other dilutive securities</b>				
Stock options and other dilutive securities				
Stock options and other dilutive securities				
<b>Diluted weighted average number of shares</b>				
Diluted weighted average number of shares				

Diluted weighted average number of shares
Diluted weighted-average number of shares

Anti-dilutive shares excluded from the calculation consisted of dilutive employee stock options and RSUs that were de minimis in all periods presented.

## 12. Subsequent Events

On July 31, 2024, the Company repaid \$3.0 million of its 2022 Revolving Credit Facility, reducing the outstanding balance from \$4.8 million to \$1.8 million.

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## VIEMED HEALTHCARE, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, June 30, 2024 and 2023**

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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with, and is qualified entirely by, our condensed consolidated financial statements (including Notes to the Condensed Consolidated Financial Statements) and the other consolidated financial information under Item 1 of this Quarterly Report on Form 10-Q. Some of the information in this discussion and analysis includes forward-looking statements that involve risk and uncertainties. Actual results and timing of events could differ from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

#### Forward-Looking Statements

Certain statements and information in this Quarterly Report on Form 10-Q may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 or "forward-looking information" as such term is defined in applicable Canadian securities legislation (collectively, "forward-looking statements"). Any statements other than statements of historical information, including those that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties that could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. These forward-looking statements are made as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except as required by applicable law.

Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs of management regarding future events, and include, but are not limited to, statements with respect to: operating results; profitability; financial condition and resources; anticipated needs for working capital; liquidity; capital resources; capital expenditures; milestones; licensing milestones; information with respect to future growth and growth strategies; anticipated trends in our industry; our future financing plans; timelines; currency fluctuations; government regulation; unanticipated expenses; commercial disputes or claims; limitations on insurance coverage or other reimbursement; and availability of cash flow to fund capital requirements.

Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "potential", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "projects", or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "will", "should", "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking statements are reasonable. We cannot assure you, however, that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, including those identified under "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q and the other documents we file with the SEC, including under "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, and with the securities regulatory authorities in certain provinces of Canada, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to: the general business, market and economic conditions in the regions in which we operate; significant capital requirements and operating risks that we may be subject to; our ability to implement business strategies and pursue business opportunities; volatility in the market price of our common shares; the state of the capital markets; the availability of funds and resources to pursue operations; inflation; reductions in reimbursement rates and audits of reimbursement claims by various governmental and private payor entities; dependence on few payors; possible new drug discoveries; dependence on key suppliers; granting of permits and licenses in a highly regulated business; competition; disruptions in or attacks (including cyber-attacks) on our information technology, internet, network access or other voice or data communications systems or services; the evolution of various types of fraud or other criminal behavior to which we are exposed; difficulty integrating newly acquired businesses; the impact of new and changes to, or application of, current laws and regulations; the overall difficult litigation and regulatory environment; increased competition; increased funding costs and market volatility due to market illiquidity and competition for funding; critical accounting estimates and changes to accounting standards, policies, and methods used by us; our status as an emerging growth company; and the occurrence of natural and unnatural catastrophic events

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## VIEMED HEALTHCARE, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, June 30, 2024 and 2023**

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or health epidemics or concerns, and claims resulting from such events or concerns, as well as other general economic, market and business conditions; and other factors beyond our control.

### **General Matters**

In this Quarterly Report on Form 10-Q, unless the context otherwise requires, the terms the "Company," "we," "us" and "our" refer to Viemed Healthcare, Inc. and its wholly-owned subsidiaries.

We were incorporated on December 14, 2016 pursuant to the *Business Corporations Act* (British Columbia). As of June 30, 2020, we determined that we no longer qualify as a "foreign private issuer," as defined in Rule 3b-4 of the Exchange Act, for the purposes of the informational requirements of the Exchange Act. As a result, effective January 1, 2021, we became subject to the proxy solicitation rules under Section 14 of the Exchange Act and Regulation FD, and our officers, directors, and principal shareholders became subject to the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. We will continue to file annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K with the SEC and with the relevant Canadian securities regulatory authorities on the System for Electronic Document Analysis and Retrieval (SEDAR).

We no longer qualify as a "smaller reporting company" and are required to comply with the larger company disclosure obligations (subject to certain exemptions and relief from various reporting requirements that are applicable to emerging growth companies) beginning in this Quarterly Report on Form 10-Q.

We are an "emerging growth company," as defined in the JOBS Act, and as such, we have elected to comply with certain reduced U.S. public company reporting requirements.

## Overview

We provide an array of home medical equipment, services and supplies, specializing in post-acute respiratory care services in the United States. Our primary objective is to focus on the organic growth of the business and thereby solidify our position as one of the United States' largest providers of in-home therapy for patients suffering from respiratory diseases. Our respiratory care programs are designed specifically for payors to have the ability to treat patients in the home for less total cost and with a superior quality of care. Our services include respiratory disease management (through the rental of various HME devices), neuromuscular care, in-home sleep testing and sleep apnea treatment, oxygen therapy, and the sale of associated supplies.

We derive the majority of our revenue through the rental of non-invasive and invasive ventilators which represented 57.7% 55.4% and 63.6% 59.4% of our revenue for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and 56.5% and 61.4% for the six months ended June 30, 2024 and 2023, respectively. We combine the benefits of home ventilation support with licensed Respiratory Therapists ("RTs") to drive improved patient outcomes and reduce costly hospital readmissions.

We expect to grow through expansion of existing service areas as well as in new territories through a cost efficient launch that reduces location expenses. We currently serve patients in all 50 states. We expect to continue to employ more RTs in order to assure our high service model is accomplished in the home. As of March 31, 2024 June 30, 2024, we employed 373 392 licensed RTs, representing approximately 36% 35% of our company-wide employee count. By focusing overhead costs on personnel that service the patient rather than physical location costs, we anticipate that we will efficiently scale our business in regions that are currently not being effectively serviced.

The continued trend of servicing patients in the home rather than in hospitals is aligned with our business objective and we anticipate that this trend will continue to offer growth opportunities for us. We expect to continue to be a solution to the rising health costs in the United States by offering more cost effective, home based solutions while increasing the quality of life for patients fighting serious respiratory diseases.

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## VIEMED HEALTHCARE, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

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### Trends Affecting our Business

Home medical equipment markets are witnessing sustained expansion, with a notable focus on the complex respiratory and Obstructive Sleep Apnea ("OSA") device segments. Analysts in the industry anticipate a consistent and robust growth trajectory, projecting Compound Annual Growth Rates ("CAGR") of approximately 6% for respiratory devices and 8% for OSA devices. This upward trend underscores the increasing demand for innovative solutions in respiratory

care and sleep apnea management, highlighting the industry's responsiveness to evolving healthcare needs. As technological advancements and awareness drive the adoption of these specialized devices, we believe the HME markets, particularly in respiratory and OSA, are positioned for continuous expansion, offering promising opportunities for both providers and consumers alike.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

***(Tabular amounts expressed in thousands of US Dollars, except per share amounts)***

**March 31, 2024 and 2023**

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The aging population remains a pivotal driver for the industry, as the elderly, constituting a substantial portion of HME patients, are expected to represent a higher percentage of the overall population. Projections from industry analysts indicate a consistent annual growth in the number of Medicare beneficiaries, contributing to ongoing patient volume growth. A significant contributing factor to the industry's growth is the rising incidence of chronic diseases. Factors such as increasing obesity rates, consequences of past smoking prevalence, under-diagnosis of certain health conditions, and higher diagnosis rates for chronic diseases collectively shape the industry. There is a notable shift towards home-based treatment for these conditions.

The industry is undergoing a transition to value-based healthcare, with both government and commercial payors increasingly adopting models that emphasize the transition of patients from acute care settings to home care. We believe HME providers are well-positioned to benefit from this industry shift. Advancements in technology and medical equipment have led to an increased prevalence of in-home treatments. The broader range of treatments administered in patient homes is expected to continue growing. Projections from industry analysts indicate that U.S. home healthcare spending will increase, reaching \$250 billion by 2031, with a CAGR of approximately 7%.

Market consolidation is a notable trend favoring larger, financially stable players. The decline in the number of smaller regional players is attributed to the capital investment and scale required to compete effectively. This has led to a more consolidated and competitive landscape in the DME market.

Despite these positive trends, the industry faces challenges such as cost containment efforts of payors. The consolidation of managed care payors into larger purchasing groups has increased negotiating power, resulting in pricing pressure on HME providers. In addition to ongoing negotiations relating to contract management with third party payors to secure fair reimbursement, HME providers are engaging in value-based contracting, focusing on outcomes and patient satisfaction. These value-based contracts leverage data analytics to demonstrate the cost-effectiveness and quality of durable medical goods and provide evidence-based data to payors demonstrating the long-term benefits and cost savings associated with the use of certain medical goods.

#### **Impact of Inflation**

The Company faces current and potential future inflationary pressures driven by factors such as general cost increases, supply chain disruptions, and governmental policies. The manufacturing and distribution costs of Viemed's patient equipment are affected by rising material, labor, and transportation expenses, including fuel costs. Persistent inflation may impact overall demand, increase operating costs, and affect profit margins, potentially adversely affecting Viemed's business and financial performance.

In its 2024 DMEPOS Fee Schedule, CMS announced the fee schedule adjustment based on the annual change to the Consumer Pricing Index for all urban areas. Items that were subject to the competitive bidding program in former competitive bidding areas will receive a 2.9% reimbursement rate increase. Items that were subject to the competitive bidding program in non-competitive bidding areas received a 3.0% reimbursement rate increase. Items not subject to the competitive bidding program received a 2.6% reimbursement rate increase.

Future volatility in general price inflation and its impact on material availability, shipping, warehousing, and operational overhead could further impact financial results. Viemed attempts to address these pressures through its inflation-linked reimbursement contracts, negotiation, leveraging its purchasing power and embracing technology, such as its proprietary clinical management platform.

**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, June 30, 2024 and 2023**

The below table highlights summary financial and operational metrics for the last eight quarters.

*(Tabular amounts expressed in thousands of U.S. Dollars, except vent patients)*

For the quarter ended	For the quarter ended	March 31, 2024	December 31, 2023	September 30, 2023	June 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 2022	For the quarter ended	March 31, 2024	December 31, 2023	September 30, 2023	June 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Financial Information:</b>																	
Revenue																	
Revenue																	
Revenue																	
<b>Gross Profit</b>																	
Gross Profit																	
%																	
59 % 63 % 62 % 60 % 61 % 61 % 61 % 61 % 61 % 60 % 59 % 63 % 62 % 60 % 61 % 61 % 61 %																	
<b>Net Income</b>																	
Cash (As of)																	
<b>Total Assets (As of)</b>																	
Adjusted																	
EBITDA <sup>(1)</sup>																	
<b>Operational Information:</b>																	
Vent Patients <sup>(2)</sup>																	
Vent Patients <sup>(2)</sup>																	
Vent Patients <sup>(2)</sup>																	

<sup>(1)</sup> Refer to "Non-GAAP Financial Measures" section below for definition of Adjusted EBITDA.

<sup>(2)</sup> Vent Patients represents the number of active ventilator patients on recurring billing service at the end of each calendar quarter.

**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

June 30, 2024 and 2023

**Results of Operations**

**Comparison of the Three Months Ended March 31, 2024 June 30, 2024 and 2023:**

The following table summarizes our results of operations for the three months ended **March 31, 2024** June 30, 2024 and 2023:

	Three Months Ended June 30,					
	2024		% of Total		2023	
	\$	Revenue	Revenue	\$	Change	%
<b>Revenue</b>	<b>\$ 54,965</b>	<b>100.0 %</b>	<b>\$ 43,311</b>	<b>100.0 %</b>	<b>\$ 11,654</b>	<b>26.9 %</b>
Cost of revenue	22,073	40.2 %	17,205	39.7 %	4,868	28.3 %
<b>Gross profit</b>	<b>32,892</b>	<b>59.8 %</b>	<b>26,106</b>	<b>60.3 %</b>	<b>6,786</b>	<b>26.0 %</b>
Selling, general and administrative	26,503	48.2 %	20,563	47.5 %	5,940	28.9 %
Research and development	758	1.4 %	758	1.8 %	—	— %
Stock-based compensation	1,620	2.9 %	1,471	3.4 %	149	10.1 %
Depreciation and amortization	377	0.7 %	298	0.7 %	79	26.5 %
Loss (gain) on disposal of property and equipment	(545)	(1.0)%	117	0.3 %	(662)	(565.8)%
Other expense (income), net	563	1.0 %	(2)	— %	565	NM
<b>Income from operations</b>	<b>3,616</b>	<b>6.6 %</b>	<b>2,901</b>	<b>6.7 %</b>	<b>715</b>	<b>24.6 %</b>
<b>Non-operating income and expenses</b>						
Income (expense) from investments	(1,117)	(2.0)%	137	0.3 %	(1,254)	(915.3)%
Interest income (expense), net	(254)	(0.5)%	20	— %	(274)	(1370.0)%
<b>Net income before taxes</b>	<b>2,245</b>	<b>4.1 %</b>	<b>3,058</b>	<b>7.1 %</b>	<b>(813)</b>	<b>(26.6)%</b>
Provision for income taxes	768	1.4 %	728	1.7 %	40	5.5 %
<b>Net income</b>	<b>1,477</b>	<b>2.7 %</b>	<b>2,330</b>	<b>5.4 %</b>	<b>(853)</b>	<b>(36.6)%</b>
Net income attributable to noncontrolling interest	9	— %	—	— %	9	NM
<b>Net income attributable to Viemed Healthcare, Inc.</b>	<b>\$ 1,468</b>	<b>2.7 %</b>	<b>\$ 2,330</b>	<b>5.4 %</b>	<b>\$ (862)</b>	<b>(37.0)%</b>

**Revenue**

The following table summarizes our revenue for the three months ended June 30, 2024 and 2023:

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Three Months Ended March 31,						
	2024		% of Total		2023	
	Revenue	Revenue	Revenue	Revenue	Change	Change
<b>Revenue</b>	\$ 50,593	100.0 %	\$ 39,556	100.0 %	\$ 11,037	27.9 %
Cost of revenue	20,791	41.1 %	15,552	39.3 %	5,239	33.7 %
<b>Gross profit</b>	<b>29,802</b>	<b>58.9 %</b>	<b>24,004</b>	<b>60.7 %</b>	<b>5,798</b>	<b>24.2 %</b>
Selling, general and administrative	24,814	49.0 %	19,762	50.0 %	5,052	25.6 %
Research and development	750	1.5 %	780	2.0 %	(30)	(3.8)%
Stock-based compensation	1,432	2.8 %	1,391	3.5 %	41	2.9 %
Depreciation and amortization	415	0.8 %	240	0.6 %	175	72.9 %
Loss (gain) on disposal of property and equipment	213	0.4 %	(22)	(0.1)%	235	(1068.2)%
Other income, net	(26)	(0.1)%	(81)	(0.2)%	55	(67.9)%
<b>Income from operations</b>	<b>2,204</b>	<b>4.4 %</b>	<b>1,934</b>	<b>4.9 %</b>	<b>270</b>	<b>14.0 %</b>
<b>Non-operating income and expenses</b>						
Income from equity method investments	(67)	(0.1)%	(35)	(0.1)%	(32)	91.4 %
Interest expense (income), net	150	0.3 %	(49)	(0.1)%	199	(406.1)%
<b>Net income before taxes</b>	<b>2,121</b>	<b>4.2 %</b>	<b>2,018</b>	<b>5.1 %</b>	<b>103</b>	<b>5.1 %</b>
Provision for income taxes	518	1.0 %	501	1.3 %	17	3.4 %
<b>Net income</b>	<b>\$ 1,603</b>	<b>3.2 %</b>	<b>\$ 1,517</b>	<b>3.8 %</b>	<b>\$ 86</b>	<b>5.7 %</b>

Three Months Ended June 30,						
	2024		% of Total		2023	
	Revenue	Revenue	Revenue	Revenue	Change	Change
<b>Net revenue from rentals</b>						
Ventilator rentals, non-invasive and invasive	\$ 30,445	55.4 %	\$ 25,712	59.4 %	\$ 4,733	18.4 %
Other home medical equipment rentals	12,211	22.2 %	8,419	19.5 %	3,792	45.0 %
<b>Net revenue from sales and services</b>						
Equipment and supply sales	7,378	13.4 %	6,778	15.6 %	600	8.9 %
Service revenues	4,931	9.0 %	2,402	5.5 %	2,529	105.3 %
<b>Total net revenue</b>	<b>\$ 54,965</b>	<b>100.0 %</b>	<b>\$ 43,311</b>	<b>100.0 %</b>	<b>\$ 11,654</b>	<b>26.9 %</b>

For the three months ended June 30, 2024, net revenue totaled \$55.0 million, an increase of \$11.7 million (or 26.9%) from the comparable period in 2023. The primary driver of this growth was our ventilator rental revenue, which increased by \$4.7 million (or 18.4%) due to higher patient volumes associated with strong demand for ventilation services. Additionally, rental revenue from other Home Medical Equipment (HME) increased by \$3.8 million (or 45.0%) attributable to an expanding patient census and robust demand for oxygen therapy, Positive Airway Pressure (PAP) therapy, and percussion vest services. Equipment and supply sales grew by \$0.6 million (or 8.9%) largely driven by the success of our sleep resupply program. Furthermore, services revenue experienced an increase of \$2.5 million (or 105.3%), primarily due to the growth of healthcare staffing offerings.

**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, June 30, 2024 and 2023**

**Revenue**

The following table summarizes our revenue for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,						%	
	2024		% of Total		2023			
	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue		
<b>Net revenue from rentals</b>								
Ventilator rentals, non-invasive and invasive	\$ 29,187	57.7 %	\$ 25,147	63.6 %	\$ 4,040	16.1 %		
Other home medical equipment rentals	10,934	21.6 %	6,906	17.5 %	4,028	58.3 %		
<b>Net revenue from sales and services</b>								
Equipment and supply sales	6,138	12.1 %	4,764	12.0 %	1,374	28.8 %		
Service revenues	4,334	8.6 %	2,739	6.9 %	1,595	58.2 %		
<b>Total net revenue</b>	<b>\$ 50,593</b>	<b>100.0 %</b>	<b>\$ 39,556</b>	<b>100.0 %</b>	<b>\$ 11,037</b>	<b>27.9 %</b>		

For the three months ended March 31, 2024, revenue totaled \$50.6 million, an increase of \$11.0 million (or 27.9%) from the comparable period in 2023. The net revenue increase was comprised of increases in ventilator rental revenue of \$4.0 million (or 16.1%), rental revenue from other HME of \$4.0 million (or 58.3%), equipment and supply sales of \$1.4 million (or 28.8%), and service revenues of \$1.6 million (or 58.2%). The growth in other home medical equipment rentals has been primarily driven by the continued national expansion of PAP, oxygen therapy, and percussion vest activities and the acquisition of HMP. The increase in equipment sales and supplies is primarily driven by the success of our PAP resupply program and other sleep offerings.

The increase in service revenue is primarily due to the addition of our healthcare staffing offerings. While ventilator rentals continue to make up the majority of our revenue, the organic and acquired growth of PAP and oxygen related sales, and services, as well as our healthcare staffing offerings, is contributing significantly to the diversity of our overall revenue mix. As we continue to expand geographically into new territories and further expand our presence in our existing territories, we expect continued growth in our active ventilator patient base and our other respiratory offerings.

**Cost of revenue and gross profit**

For the three months ended March 31, 2024 June 30, 2024, cost of revenue totaled \$20.8 million \$22.1 million, an increase of \$5.2 million \$4.9 million (or 33.7% 28.3%) from the comparable period in 2023. Gross profit percentage decreased from approximately 60.7% 60.3% in the three months ended March 31, 2023 June 30, 2023 to approximately 58.9% 59.8% in the three months ended March 31, 2024 June 30, 2024. The change in gross profit percentage is primarily due to migration of the revenue mix associated with product and service diversification. Gross profit percentage is expected to remain relatively stable in upcoming periods due to subsiding inflationary cost pressures and the positive effects associated with reimbursement rates, offset by some decreases associated with product and service diversification.

**Selling, general and administrative expense**

Selling, general, and administrative expenses as a percentage of revenue increased to 48.2% for the three months ended June 30, 2024 compared to 47.5% for the three months ended June 30, 2023. Selling, general and administrative expenses totaled \$26.5 million for the three months ended June 30, 2024, an increase of \$5.9 million (or 28.9%) from the comparable prior period. The overall increase in selling, general and administrative expense as compared to the prior period is primarily attributable to additional employee related expenses to accommodate the overall growth of the Company. Employee compensation expenses increased \$3.6 million (or 23.8%) as a result of the increase in our employee headcount and increases in incentive and volume based compensation. Legal and professional fees also increased by \$0.7 million (or 99.4%) as a result of integrated audit fees and legal services. We expect that current year selling, general and administrative expenses as a percentage of revenue will remain stable through the end of 2024 due to increased efficiencies and costs optimization efforts relative to revenue growth.

#### *Research and development*

For both the three months ended June 30, 2023 and June 30, 2024, research and development expense totaled \$0.8 million. As we continue to invest in research and development related projects to support our technology initiatives, we expect that associated costs will remain consistent in 2024 relative to 2023 costs, declining as a percentage of revenue.

#### *Stock-based compensation*

For the three months ended June 30, 2024, stock-based compensation totaled \$1.6 million, an increase of 10.1% from the comparable period in 2023. We anticipate that as we expand our workforce, incorporating stock-based awards as a component of employee compensation, stock-based compensation expenses will correspondingly rise. Historically, revenue growth has outpaced the growth in stock-based compensation, and as a result, the percentage of stock-based compensation relative to revenue is expected to continue declining.

#### *Loss (gain) on disposal of property and equipment*

For the three months ended June 30, 2024, gain on disposal of property and equipment totaled \$0.5 million compared to loss on disposal of property and equipment of \$0.1 million for the three months ended June 30, 2023. The gain primarily resulted from proceeds related to the sale of recalled ventilators back to the manufacturer. We anticipate additional future gains from the disposal of eligible devices, as the proceeds from these disposals are expected to exceed their net book value.

#### *Other expense (income), net*

For the three months ended June 30, 2024, other expense (income), net totaled \$0.6 million, an increase of \$0.6 million from the comparable period in 2023. The increase in other expense (income), net is primarily due to an impairment of a litigation receivable of \$0.9 million determined to be unrealizable as a result of the counterparty's bankruptcy proceedings.

#### *Income (expense) from investments*

For the three months ended June 30, 2024, expense from investments totaled \$1.1 million compared to income from investments of \$0.1 million for the three months ended June 30, 2023. The change is primarily due to a \$1.3 million impairment recognized on our debt investment, reflecting an other-than-temporary impairment in fair value during the period.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**June 30, 2024 and 2023**

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*Interest income (expense), net*

For the three months ended June 30, 2024, net interest expense totaled \$0.3 million, an increase of \$0.3 million from the comparable period in 2023. The increase in net interest expense is primarily due to outstanding borrowings as a result of debt issued to fund acquisitions. However, with anticipated debt repayments, we expect a reduction in quarterly net interest expense for the remainder of 2024.

*Provision for income taxes*

For the three months ended June 30, 2024, the provision for income taxes was a \$0.8 million expense, compared to \$0.7 million during the comparable period in 2023. The resulting increase in the overall effective tax rate as a percentage of pre-tax income was due to the impact of discrete tax benefits associated with stock-based compensation between periods. Our annual estimated effective tax rate for 2024 is 30.9%.

*Net income*

For the three months ended June 30, 2024, net income was \$1.5 million, a decrease of \$0.9 million (or 36.6%) from the comparable period in 2023. Net income as a percentage of net revenue decreased from 5.4% for the three months ended June 30, 2023 to 2.7% for the three months ended June 30, 2024, primarily due to fair value impairments of a debt investment and outstanding litigation funds receivable.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**June 30, 2024 and 2023**

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**Comparison of the Six Months Ended June 30, 2024 and 2023:**

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,					
	2024		% of Total		2023	
		Revenue		Revenue		Change
Revenue	\$ 105,558	100.0 %	\$ 82,867	100.0 %	\$ 22,691	27.4 %
Cost of revenue	42,864	40.6 %	32,757	39.5 %	10,107	30.9 %
<b>Gross profit</b>	<b>62,694</b>	<b>59.4 %</b>	<b>50,110</b>	<b>60.5 %</b>	<b>12,584</b>	<b>25.1 %</b>
Selling, general and administrative	51,317	48.6 %	40,325	48.7 %	10,992	27.3 %

Research and development	1,508	1.4 %	1,538	1.9 %	(30)	(2.0)%
Stock-based compensation	3,052	2.9 %	2,862	3.5 %	190	6.6 %
Depreciation and amortization	792	0.8 %	538	0.6 %	254	47.2 %
Loss (gain) on disposal of property and equipment	(332)	(0.3)%	95	0.1 %	(427)	(449.5)%
Other expense (income), net	537	0.5 %	(83)	(0.1)%	620	(747.0)%
<b>Income from operations</b>	<b>5,820</b>	<b>5.5 %</b>	<b>4,835</b>	<b>5.8 %</b>	<b>985</b>	<b>20.4 %</b>
<b>Non-operating income and expenses</b>						
Income (expense) from investments	(1,050)	(1.0)%	172	0.2 %	(1,222)	(710.5)%
Interest income (expense), net	(404)	(0.4)%	69	0.1 %	(473)	(685.5)%
<b>Net income before taxes</b>	<b>4,366</b>	<b>4.1 %</b>	<b>5,076</b>	<b>6.1 %</b>	<b>(710)</b>	<b>(14.0)%</b>
Provision for income taxes	1,286	1.2 %	1,229	1.5 %	57	4.6 %
<b>Net income</b>	<b>3,080</b>	<b>2.9 %</b>	<b>3,847</b>	<b>4.6 %</b>	<b>(767)</b>	<b>(19.9)%</b>
Net income attributable to noncontrolling interest	9	— %	—	— %	9	NM
<b>Net income attributable to Viemed Healthcare, Inc.</b>	<b>\$ 3,071</b>	<b>2.9 %</b>	<b>\$ 3,847</b>	<b>4.6 %</b>	<b>\$ (776)</b>	<b>(20.2)%</b>

#### Revenue

The following table summarizes our revenue for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,							
	2024	% of Total		2023	% of Total		\$ Change	% Change
		Revenue	Revenue		Revenue	Revenue		
<b>Net revenue from rentals</b>								
Ventilator rentals, non-invasive and invasive	\$ 59,632	56.5 %	\$ 50,859	61.4 %	\$ 8,773	17.2 %		
Other home medical equipment rentals	23,145	21.9 %	15,325	18.5 %	7,820	51.0 %		
<b>Net revenue from sales and services</b>								
Equipment and supply sales	13,516	12.8 %	11,542	13.9 %	1,974	17.1 %		
Service revenues	9,265	8.7 %	5,141	6.2 %	4,124	80.2 %		
<b>Total net revenue</b>	<b>\$ 105,558</b>	<b>100.0 %</b>	<b>\$ 82,867</b>	<b>100.0 %</b>	<b>\$ 22,691</b>	<b>27.4 %</b>		

For the six months ended June 30, 2024, revenue totaled \$105.6 million, an increase of \$22.7 million (or 27.4%) from the comparable period in 2023. The primary driver of this growth was our ventilator rental revenue, which increased by \$8.8 million (or 17.2%) due to higher patient volumes associated with strong demand for ventilation services. Additionally, rental revenue from other Home Medical Equipment (HME) increased by \$7.8 million (or 51.0%) due to an expanding patient base, robust demand for oxygen therapy, Positive Airway Pressure (PAP) therapy, and percussion vest services, and the acquisition of HMP on June 1, 2023. Equipment and supply sales grew by \$2.0 million (or 17.1%) largely attributable to the success of our sleep resupply program and the addition of HMP's resupply program. Furthermore, services revenue experienced an increase of \$4.1 million (or 80.2%), primarily due to the growth of healthcare staffing offerings.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

June 30, 2024 and 2023

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While ventilator rentals continue to make up the majority of our revenue, the organic and acquired growth of PAP and oxygen related sales, as well as our healthcare staffing offerings, is contributing to the diversity of our overall revenue mix. As we continue to expand geographically into new territories and further expand our presence in our existing territories, we expect continued growth in our active ventilator patient base and our other respiratory offerings.

***Cost of revenue and gross profit***

For the six months ended June 30, 2024, cost of revenue totaled \$42.9 million, an increase of \$10.1 million (or 30.9%) from the comparable period in 2023. Gross profit percentage decreased from approximately 60.5% in the six months ended June 30, 2023 to approximately 59.4% in the six months ended June 30, 2024. The decrease in gross profit percentage is primarily due to migration of the revenue mix associated with product and service diversification. Gross profit percentage is expected to remain relatively stable in upcoming periods due to subsiding inflationary cost pressures and the positive effects associated with reimbursement rates, offset by some decreases associated with product and service diversification.

***Selling, general and administrative expense***

Selling, general, and administrative expenses as a percentage of revenue decreased to 49.0% was 48.6% for the **three six** months ended **March 31, 2024** June 30, 2024 compared to **50.0% 48.7%** for the **three six** months ended **March 31, 2023** June 30, 2023. Selling, general and administrative expenses totaled **\$24.8 million** \$51.3 million for the **three six** months ended **March 31, 2024** June 30, 2024, an increase of **\$5.1 million** \$11.0 million (or **25.6% 27.3%**) from the comparable period in **2023**. The overall increase in selling, general and administrative expense as compared to the prior period is primarily due to additional employee related expenses to accommodate the overall growth of the Company. Our full time employee count increased from **765** 974 on **March 31, 2023** June 30, 2023 to **1,030** 1,121 on **March 31, 2024** June 30, 2024, an increase of 35%, which was partially due to the acquisition of HMP on June 1, 2023 15.1%. Employee compensation expenses increased **\$3.4 million** \$7.0 million (or 24%) as as a result of the increase in our employee headcount and increases in incentive and volume based compensation. We expect that current year selling, general and administrative expenses as a percentage of revenue will continue to improve remain stable through the end of 2024 due to increased efficiencies and costs stabilization optimization efforts relative to revenue growth.

***Research and development***

For both the **three six** months ended **March 31, 2023** June 30, 2023 and **March 31, 2024** June 30, 2024, research and development expense totaled **\$0.8 million** \$1.5 million. As we continue to invest in research and development related projects to support our technology initiatives, we expect that the associated costs will remain consistent in 2024 relative to 2023 costs. costs, declining as a percentage of revenue.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, 2024 and 2023**

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**Stock-based compensation**

For the **three six** months ended **March 31, 2024** **June 30, 2024**, stock-based compensation totaled **\$1.4 million**, **\$3.1 million**, an increase of **2.9%** **6.6%** from the comparable period in 2023. We anticipate that as we expand our workforce, incorporating stock-based awards as a component of employee compensation, stock-based compensation expenses will correspondingly rise. Historically, revenue growth has outpaced the growth in stock-based compensation, and as a result, the percentage of stock-based compensation relative to revenue is expected to continue declining.

**Provision for income taxes**

For the **three months ended March 31, 2023** **Loss (gain) on disposal of property** and **March 31, 2024**, the provision for income taxes was **\$0.5 million**. Excluding discrete items, our annual estimated effective tax rate for 2024 is **29.2%**.

**Net income equipment**

For the **three six** months ended **March 31, 2024** **June 30, 2024**, gain on disposal of property and equipment totaled **\$0.3 million** compared to loss on disposal of property and equipment of **\$0.1 million** for the **six months ended June 30, 2023**. The gain primarily resulted from proceeds related to the sale of recalled ventilators back to the manufacturer. We anticipate additional future gains from the disposal of eligible devices, as the proceeds from these disposals are expected to exceed their net book value.

**Other expense (income), net**

For the **six months ended June 30, 2024**, other expense (income), net **income** was **\$1.6 million** totaled **\$0.5 million**, an increase of **\$0.1 million** (or **5.7%**) **\$0.6 million** from the comparable period in 2023. **Net income** The increase in other expense (income), net is primarily due to an impairment of a litigation receivable of **\$0.9 million** determined to be unrealizable as a **percentage** result of **net revenue decreased slightly** the counterparty's bankruptcy proceedings.

**Income (expense) from 3.8% investments**

For the **six months ended June 30, 2024**, expense from investments totaled **\$1.1 million** compared to income from investments of **\$0.2 million** for the **three six** months ended **March 31, 2023** **June 30, 2023**. The change is primarily due to **3.2%** for a **\$1.3 million** impairment recognized on our debt investment, reflecting an other-than-temporary impairment in fair value during the **three months ended March 31, 2024**.

period.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, June 30, 2024 and 2023**

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*Interest income (expense), net*

For the six months ended June 30, 2024, net interest expense totaled \$0.4 million compared to interest income of \$0.1 million for the six months ended June 30, 2023. The increase in net interest expense is primarily due to outstanding borrowings as a result of debt issued to fund acquisitions. However, with anticipated debt repayments, we expect a reduction in net interest expense for the remainder of 2024.

*Provision for income taxes*

For the six months ended June 30, 2024, the provision for income taxes was a \$1.3 million expense, compared to \$1.2 million during the comparable period in 2023. The resulting increase in the overall effective tax rate as a percentage of pre-tax income was due to the impact of discrete tax benefits associated with stock-based compensation between periods. Our annual estimated effective tax rate for 2024 is 30.9%.

*Net income*

For the six months ended June 30, 2024, net income was \$3.1 million, a decrease of \$0.8 million (or 19.9%) from the comparable period in 2023. Net income as a percentage of net revenue decreased from 4.6% for the six months ended June 30, 2023 to 2.9% for the six months ended June 30, 2024, primarily due to fair value impairments of a debt investment and outstanding litigation funds receivable.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**June 30, 2024 and 2023**

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**Non-GAAP Financial Measures**

The Company uses Adjusted EBITDA, which is a financial measure that is not prepared in accordance with generally accepted accounting principles in the United States ("GAAP") to analyze its financial results and believes that it is useful to investors, as a supplement to GAAP measures. Management believes Adjusted EBITDA provides helpful information with respect to the Company's operating performance as viewed by management, including a view of the Company's business that is not dependent on the impact of the Company's capitalization structure and items that are not part of the Company's day-to-day operations. Management uses Adjusted EBITDA (i) to compare the Company's operating performance on a consistent basis, (ii) to calculate incentive compensation for the Company's employees, (iii) for planning purposes, including the preparation of the Company's internal annual operating budget, and (iv) to evaluate the performance and effectiveness of the Company's operational strategies. Accordingly, management believes that Adjusted EBITDA provides useful information in understanding and evaluating the Company's operating performance in the same manner as management. In calculating Adjusted EBITDA, certain items (mostly non-cash) are excluded from net income including depreciation and amortization of capitalized assets, net interest expense (income), taxes, stock based compensation, depreciation transactions costs, impairment of property assets, and equipment, and amortization of intangible assets. Beginning with financial

results reported for periods in fiscal year 2023, Adjusted EBITDA also excludes transaction costs and expenses related to acquisition and integration efforts associated with recently announced or completed acquisitions. This modification enables investors to compare period-over-period results on a more consistent basis without the effects of acquisitions. We have recast Adjusted EBITDA for prior periods when reported to conform to the modified presentation, taxes.

The following table is a reconciliation of Net income, the most directly comparable GAAP measure, to Adjusted EBITDA, on a historical basis for the periods indicated:

	For the March quarter 31, December 31, 2024				June March 30, 2023				June For the quarter 30, December 31, 2023				June March 30, 2022			
For the quarter ended	ended	2024	31, 2023	30, 2023	2023	31, 2022	30, 2022	2022	ended	2024	2024	31, 2023	30, 2023	2023	31, 2022	30, 2022
<b>Net Income</b>																
Net income attributable to Viemed Healthcare, Inc.																
Add back:																
Depreciation & amortization																
Depreciation & amortization																
Depreciation & amortization																
Interest expense (income)																
Stock-based compensation(a)																
Stock-based compensation(a)																
Stock-based compensation(a)																
Transaction costs(b)																
Impairment of assets(c)																
Income tax expense																
<b>Adjusted EBITDA</b>																

(a) Represents non-cash, equity-based compensation expense associated with option and RSU awards.

(b) Represents transaction costs and expenses related to acquisition and integration efforts associated with recently announced or completed acquisitions.

(c) Represents impairments of the fair value of investment and litigation-related assets.

#### Use of Non-GAAP Financial Measures

Adjusted EBITDA should be considered in addition to, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. It is not a measurement of our financial performance under GAAP and should not be considered as an alternative to revenue or net income, as applicable, or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure of the Company's liquidity, and may not be comparable to other similarly titled measures of other companies or businesses. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results as reported under GAAP. Adjusted EBITDA does not reflect the impact of certain

cash charges resulting from matters we consider not to be indicative of ongoing operations; and other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

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## VIEMED HEALTHCARE, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, June 30, 2024 and 2023**

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### Liquidity and Capital Resources

Cash and cash equivalents at **March 31, 2024** **June 30, 2024** was **\$7.3** **\$8.8** million, compared to **\$12.8** million **\$12.8** million at December 31, 2023. Typically, our principal source of liquidity is the collection of our patient accounts receivable. In addition to our collection of patient accounts receivable, from time to time, we can and do obtain additional sources of liquidity by the incurrence of additional indebtedness. Based on our current plan of operations, we believe cash and cash equivalents, when combined with expected cash flows from operations and amounts available under our 2022 Senior Credit Facilities will be sufficient to fund our growth strategy and to meet our anticipated operating expenses, capital expenditures, and debt service obligations for at least the next 12 months from the date of this filing. The Company has also historically utilized short term financing arrangements with suppliers that could be extended over a longer term if there was a need for additional liquidity.

The Company **uses** **had historically utilized** Change Healthcare, a subsidiary of UnitedHealth Group, to submit patient claims to certain non-Medicare payors for reimbursement. UnitedHealth Group announced that on February 21, 2024, Change Healthcare's information technology systems were impacted by a cybersecurity incident. **While the** **Although this** incident did not impact our day-to-day operations or the delivery of patient care submissions of delivery, it did cause **delays in submitting patient claims to certain payors were delayed. As of** **payors. By** the end of the **first** **second** quarter of 2024, the Company **has** **had replaced** Change Healthcare as its clearinghouse and resumed claims submission to several affected payors and utilized submissions using alternative platforms for the **majority of its all** claims. However, the delayed claims submissions resulted in a temporary reduction of our operating cash flow and an increase to our accounts receivable during the **three** **six** months ended **March 31, 2024** **June 30, 2024**.

### **Cash Flows**

The following table summarizes our cash flows for the periods indicated:

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2024	2023	2024
Net Cash provided by (used in):				
Operating activities				
Operating activities				
Operating activities				
Investing activities				
Financing activities				

Net Cash provided by (used in):

Operating activities

Operating activities

Operating activities

Investing activities

Financing activities

<b>Net increase (decrease) in cash and cash equivalents</b>
<b>Net decrease in cash and cash equivalents</b>

*Net Cash Provided by Operating Activities*

Net cash provided by operating activities during the **three** **six** months ended **March 31, 2024** **June 30, 2024** was **\$1.2 million** **\$11.4 million**, resulting from net income of **\$1.6 million** **\$3.1 million**, increased by net income adjustments of **\$7.9 million** **\$16.5 million** and offset by an increase in non-cash working capital of **\$8.3 million** **\$8.2 million**. The net income adjustments primarily consisted of **\$6.3 million** **\$12.6 million** of depreciation and amortization, and **\$1.4 million** **\$3.1 million** of stock-based compensation. compensation, and a net loss from debt investment of \$1.2 million. The primary changes in non-cash working capital were an increase in net accounts receivable of **\$6.0 million** **\$8.2 million** and a **decrease** **net change** in accrued liabilities income tax receivable of **\$3.6 million** **\$2.6 million**, partially offset by an increase in trade payables of **\$0.6 million** **\$1.1 million**. The increase in accounts receivable was primarily driven by the cybersecurity incident at Change Healthcare, which resulted in delays to submissions of patient claims to certain payors.

Net cash provided by operating activities during the **three** **six** months ended **March 31, 2023** **June 30, 2023** was **\$10.5 million** **\$18.1 million**, resulting from net income of **\$1.5 million** **\$3.8 million**, increased by net income adjustments of **\$5.5 million** **\$12.3 million** and a **decrease** **change** in non-cash working capital of **\$3.5 million** **\$2.0 million**. The net income adjustments primarily consisted of **\$4.8 million** **\$10.0 million** of depreciation and amortization, and **\$1.4 million** **\$2.9 million** of stock-based compensation. compensation, **\$0.2 million** gain on equity investments and a **\$0.7 million** change in deferred tax asset. The primary changes in non-cash working capital were an increase in accrued liabilities of **\$1.8 million** and an increase in income taxes payable of **\$1.3 million**, partially offset by an increase in net accounts receivable of **\$0.9 million** **\$0.5 million**, and an increase in income taxes receivable of **\$1.0 million**, offset by a decrease in other assets of **\$2.1 million** and an increase in accrued liabilities of **\$1.6 million**.

*Net Cash Used in Investing Activities*

Net cash used in investing activities during the six months ended June 30, 2024 was \$16.5 million. Net cash used in investing activities during the period consisted of \$14.9 million of purchases of property and equipment, partially offset by \$1.4 million of sales proceeds from the disposal of property and equipment. Purchases of property and equipment were primarily related to medical equipment rented to our patients. Cash purchases of property and equipment represents a \$4.2 million, or 38.9%, increase year over year. Net cash used in investing activities also included \$3.0 million of net cash paid for the acquisition of HomeMed.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, June 30, 2024 and 2023**

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*Net Cash Used in Investing Activities*

Net cash used in investing activities during the **three** **six** months ended **March 31, 2024** **June 30, 2023** was **\$5.4 million** **\$36.1 million**, consisting primarily due to the net cash paid for the acquisition of **\$6.0 million** **HMP** of **\$27.1 million**. Net cash used in investing activities during the period also included \$10.8 million of purchases of property and equipment, partially offset by \$0.6 million of sales proceeds from the disposal of property and equipment. Purchases of property and equipment were primarily related to medical equipment rented to our patients. Cash purchases of property and equipment represents an increase of \$1.3 million, or 28.3%, year over year.

Net cash used in investing activities during the three months ended March 31, 2023 was \$3.9 million, consisting of \$4.7 million of purchases of property and equipment, partially offset by \$0.8 million \$1.8 million of sales proceeds from the disposal of property and equipment. Purchases of property and equipment were primarily related to medical equipment rented to our patients.

#### Net Cash Provided By (used in) by Financing Activities

Net cash used in provided by financing activities during the three six months ended March 31, 2024 June 30, 2024 was \$1.3 million \$1.1 million. During For the three six months ended March 31, 2024 June 30, 2024, principal proceeds from the 2022 Revolving Credit Facility (as defined below) were \$3.0 million, which was used to fund the HomeMed acquisition. Principal payments on the 2022 Senior Credit Facilities Term Loan Facility (as defined below) were \$0.1 million. Additionally, principal payments on acquired loans were \$0.5 million \$0.7 million during the three six months ended March 31, 2024 June 30, 2024. The Company acquired and cancelled 128,362 129,983 common shares at a cost of \$1.0 million to satisfy employee income tax withholding associated with RSUs vesting during the three months ended March 31, 2024. Proceeds vestings while proceeds from the exercise of options during the three six months ended March 31, 2024 June 30, 2024 were \$0.3 million.

Net cash provided by financing activities during the three six months ended March 31, 2023 June 30, 2024 was nil \$11.3 million. For the six months ended June 30, 2023, proceeds from the 2022 Term Loan Facility (as defined below) were \$5.0 million and proceeds from the 2022 Revolving Credit Facility (as defined below) were \$8.0 million, which were used to partially fund the cash acquisition of HMP. Principal payments on acquired revolving and term loans were \$2.4 million during the six months ended June 30, 2023. The Company acquired and cancelled 64,75666,734 common shares at a cost of \$0.5 million \$0.5 million to satisfy employee income tax withholding associated with RSUs vesting during the three months ended March 31, 2023. Proceeds vestings while proceeds from the exercise of options during the three six months ended March 31, 2023 June 30, 2024 were \$1.2 million.

#### Sources of Liquidity

Our principal source of liquidity is our operating cash flow, which is supplemented by extended payment terms from our suppliers and amounts available under the 2022 \$0.5 million Senior Credit Facilities.

#### Senior Credit Facilities

On November 29, 2022, the Company refinanced its existing borrowings under the prior Commercial Business Loan Agreement with Hancock Whitney Bank and entered into a new credit agreement (the "2022 Senior Credit Facilities") with the lenders from time to time party thereto, and Regions Bank, as administrative agent and collateral agent, that provides for an up to \$30.0 million revolving credit facility (the "2022 Revolving Credit Facility") and an up to \$30.0 million delayed draw term loan facility (the "2022 Term Loan Facility"), both maturing in November 2027. On May 28, 2024, the Company entered into a First Amendment to the 2022 Senior Credit Facilities that (a) extends the delayed draw term loan commitment expiration date to November 29, 2025, from its initial expiration date of May 29, 2024, and (b) provides for other technical amendments.

The proceeds of the 2022 Revolving Credit Facility may be used to refinance existing indebtedness, for working capital purposes, capital expenditures and other general corporate purposes (including permitted acquisitions), and to pay transaction fees, costs and expenses related to the 2022 Senior Credit Facilities. The proceeds of the 2022 Term Loan Facility and any additional term loans established in accordance with the 2022 Senior Credit Facilities may be used to finance permitted acquisitions and to pay transaction fees, costs and expenses related to such acquisitions. Outstanding borrowings under the 2022 Term Loan Facility and 2022 Revolving Credit Facility were \$4.8 million and \$2.0 5.0 million, respectively, as of March 31, 2024 June 30, 2024.

The interest rates per annum applicable to the 2022 Senior Credit Facilities are Term SOFR plus an applicable margin, which ranges from 2.625% to 3.375%, or, at the option of the Company, a Base Rate (as defined in the 2022 Senior Credit Facilities) plus an applicable margin, which ranges from 1.625% to 2.375%.

The 2022 Senior Credit Facilities require the Company to comply with certain affirmative, as well as certain negative covenants that, among other things, will restrict, subject to certain exceptions, the ability of the Company to incur indebtedness, grant liens, make investments, engage in acquisitions, mergers or consolidations and pay dividends and other restricted payments. The 2022 Senior Credit Facilities also include certain financial covenants, which generally include, but are not limited to the following:

- Consolidated Total Leverage Ratio (defined generally as total indebtedness to adjusted EBITDA) of not greater than (i) for any fiscal quarter ending during the period from the closing date to and including December 31, 2024, 2.75 to 1.0 and (ii) for any fiscal quarter ending on and after March 31, 2025, 2.50 to 1.0, subject to certain adjustments following a material acquisition.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**June 30, 2024 and 2023**

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- Consolidated Fixed Charge Coverage Ratio (defined generally as (a) adjusted EBITDA minus capital expenditures minus cash taxes to (b) the sum of scheduled principal payments plus cash interest expense plus restricted payments) of not less than 1.25:1.0.

The Company was in compliance with all covenants under the 2022 Senior Credit Facilities in effect at **March 31, 2024** **June 30, 2024**.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

**March 31, 2024 and 2023**

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**Sources of Funds**

Cash provided by operating activities during the three months ended **March 31, 2024** was \$1.2 million compared to \$10.5 million during the three months ended **March 31, 2023**.

**Use of Funds**

Our principal uses of cash are funding the purchase of rental assets and other capital purchases, the repayment of debt, funding of acquisitions, operations, and other working capital requirements. Our contractual obligations primarily relate to the repayment of existing debt and contractual obligations for operating and

finance leases. The following table presents our material contractual obligations and commitments to make future payments as of **March 31, 2024** **June 30, 2024**:

	Within 12 Months	Within 12 Months	Beyond 12 Months	Within 12 Months	Beyond 12 Months
Debt Obligations, including interest					
Debt Obligations, including interest					
Debt Obligations, including interest					
Lease Obligations					
<b>Total</b>					

Except for the funding of potential acquisitions and investments, we anticipate that our operating cash flows will satisfy our material cash requirements for the 12 months after **March 31, 2024** **June 30, 2024**. In addition to our operating cash flows, we may need to raise additional funds to support our contractual obligations and investing activities beyond such 12 month period, and such funding may not be available to us on acceptable terms, or at all. If we are unable to raise additional funds when needed, our operations and ability to execute our business strategy could be adversely affected. We may seek to raise additional funds through equity, equity-linked or debt financings. If we raise additional funds through the incurrence of indebtedness, such indebtedness would have rights that are senior to holders of our equity securities and could contain covenants that restrict our operations. Any additional equity financing may be dilutive to our stockholders.

#### *Leases*

Leases under which we assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lesser of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset. The associated lease liability is drawn down over the life of the lease by allocating a portion of each lease payment to the liability with the remainder being recognized as finance charges. Leases that do not transfer the risks and rewards of ownership to the Company are treated as operating leases and are expensed as incurred.

#### *Retirement Plan*

The Company maintains a 401(k) retirement plan for employees to which eligible employees can contribute a percentage of their pre-tax compensation. Matching employer contributions to the 401(k) plan totaled **\$535,000** **\$338,000** and **\$409,000** **\$325,000** for the three months ended **March 31, 2024** **June 30, 2024** and **2023**, respectively, and **\$873,000** and **\$735,000** for the six months ended **June 30, 2024** and **2023**, respectively.

#### **Off balance sheet arrangements**

The Company has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its results of operations or financial condition.

#### **Accounting and Disclosure Matters**

##### **Critical Accounting Estimates**

We are required to disclose "critical accounting estimates" which are estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and that have had or are reasonably likely to have a material impact on our financial condition or results of operations.

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

June 30, 2024 and 2023

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We follow financial accounting and reporting policies that are in accordance with accounting principles generally accepted in the United States. The more significant of these policies are summarized in Note 2 to our consolidated financial statements included in

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**VIEMED HEALTHCARE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*(Tabular amounts expressed in thousands of US Dollars, except per share amounts)*

March 31, 2024 and 2023

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Part II, Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Not all significant accounting policies require management to make difficult, subjective or complex judgments. However, the policy noted below could be deemed to meet the SEC's definition of a critical accounting estimate.

**Accounts Receivable**

Accounts receivable are presented at net realizable values that reflect the consideration we expect to receive which is inclusive of adjustments for price concessions. Due to the nature of the industry and the reimbursement environment in which we operate, certain estimates are required in order to record revenues and accounts receivable at their net realizable values. Management's evaluation takes into consideration such factors as historical realization data, including current and historical cash collections, accounts receivable aging trends, other operating trends and relevant business conditions.

Inherent in these estimates is the risk that they may have to be revised or updated as additional information becomes available. It is possible that management's estimates could change, which could have an impact on operations and cash flows. Specifically, the complexity of many third-party billing arrangements, patient qualification for medical necessity of equipment and the uncertainty of reimbursement amounts for certain services from certain payors may result in adjustments to amounts originally recorded. If the payment amount received differs from the estimated net realizable amount, an adjustment is made to the net realizable amount in the period that these payment differences are determined.

**Recently Issued Accounting Pronouncements**

See Note 2 – Summary of Significant Accounting Policies of our Condensed Consolidated Financial Statements for a description of recently issued accounting pronouncements, including the expected dates of adoption and estimated effects on our results of operations, financial positions and cash flows.

## VIEMED HEALTHCARE, INC.

March 31, June 30, 2024 and 2023

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### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk primarily relates to fluctuations in interest rates from borrowings under the 2022 Senior Credit Facilities. The interest rates per annum applicable to the 2022 Senior Credit Facilities are Term SOFR plus an applicable margin, which ranges from 2.625% to 3.375%, or, at the option of the Company, a Base Rate (as defined in the 2022 Senior Credit Facilities) plus an applicable margin, which ranges from 1.625% to 2.375%. Outstanding borrowings subject to interest rate fluctuations under the 2022 Term Loan Facility and 2022 Revolving Credit Facility were \$4.8 million and \$2.0 5.0 million, respectively, as of March 31, 2024 June 30, 2024. Based on our outstanding borrowings, an immediate 100 basis point change in interest rates would not have a material effect on our net income.

### Item 4. Controls and Procedures

#### Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company's management, including its Chief Executive Officer and Chief Financial Officer, completed an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded:

- i. that the Company's disclosure controls and procedures are designed to ensure (a) that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and (b) that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure; and
- ii. that the Company's disclosure controls and procedures are effective.

Notwithstanding the foregoing, there can be no assurance that the Company's disclosure controls and procedures will detect or uncover all failures of persons within the Company and its consolidated subsidiaries to disclose material information otherwise required to be set forth in the Company's periodic reports. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

#### Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2024 June 30, 2024 that have materially affected, or that are reasonably likely to materially affect, the Company's internal control over financial reporting.

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**VIEMED HEALTHCARE, INC.****March 31, June 30, 2024 and 2023**

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**PART II - OTHER INFORMATION****Item 1. Legal Proceedings**

From time to time, we may be subject to various ongoing or threatened legal actions and other proceedings, including those that arise in the ordinary course of business, which may include employment matters, breach of contract disputes, as well as governmental and regulatory matters. Please read Note 9—Commitments and Contingencies to our condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q for more information. Such matters are subject to many uncertainties and to outcomes that are not predictable with assurance and that may not be known for extended periods of time.

**Item 1A. Risk Factors**

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 6, 2024, which could materially affect our business, financial condition or future results. There have been no material changes in our risk factors from those disclosed in that Annual Report.

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**VIEMED HEALTHCARE, INC.****June 30, 2024 and 2023**

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**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds****Unregistered Sales of Equity Securities**

None.

**Company Repurchases of Equity Securities**

None.

**Dividends**

We have not declared or paid any cash or stock dividends on our common shares since our inception. Any future determination as to the declaration and payment of cash dividends will be at the discretion of the Board and will depend on then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, and other factors that the Board considers relevant. Our subsidiaries are restricted from making

distributions or dividend payments to us by the 2022 Senior Credit Facilities (as defined above), subject to certain exceptions. See Note 6 to the Financial Statements, included in Part I, Item 1, of this Quarterly Report on Form 10-Q for further information.

### **Item 3. Defaults Upon Senior Securities**

None.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

#### *Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements*

During the fiscal quarter ended **March 31, 2024** **June 30, 2024**, no director or officer (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) of the Company adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 105-1 trading arrangements as each term is defined in Item 408(a) of Regulation S-K.

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### **VIEMED HEALTHCARE, INC.**

**March 31, June 30, 2024 and 2023**

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### **Item 6. Exhibits**

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index below.

Exhibit Number	Exhibit Title
#2.1	<a href="#">Stock Purchase Agreement dated April 18, 2023 by and among Viemed, Inc., the Stockholders and Home Medical Products, Inc. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on April 19, 2023.</a>
3.1	<a href="#">Notice of Articles of Business Corporation Act of Viemed Healthcare, Inc. Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 10 filed on July 10, 2019.</a>
3.2	<a href="#">Amended and Restated Business Corporation Act Articles of Viemed Healthcare, Inc. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 10, 2021.</a>
10.1	<a href="#">First Amendment to Credit Agreement dated November 29, 2022, among Viemed Inc. as borrower, certain subsidiaries of Viemed, Inc., as guarantors, the lenders from time to time party thereto, and Regions Bank, as administrative agent and collateral agent, effective May 28, 2024.</a>
10.2	<a href="#">Viemed Healthcare, Inc. 2024 Long Term Incentive Plan. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 6, 2024.</a>
*31.1	<a href="#">Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
*31.2	<a href="#">Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
**32.1	<a href="#">Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.</a>
**32.2	<a href="#">Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.</a>
*101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Document.
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
*101.DEF	Inline XBRL Taxonomy Extension Definition Document.
*104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

\* Filed herewith.

\*\* Furnished in accordance with Item 601(b)(32)(ii) of Regulation S-K.

# Schedules and similar attachments have been omitted pursuant to Item 601(b)(2) 601(a)(5) of Regulation S-K. The Company will furnish supplementally a copy of any omitted schedule or similar attachment to the Securities and Exchange Commission upon request.

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VIEMED HEALTHCARE, INC.

March 31, June 30, 2024 and 2023

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SIGNATURES

Pursuant to the requirements of the Securities Exchange of Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VIEMED HEALTHCARE, INC.

(Registrant)

By:

/s/ Casey Hoyt

Casey Hoyt

Chief Executive Officer

By:

/s/ Trae Fitzgerald

Trae Fitzgerald

Chief Financial Officer

Date: May 6, 2024 August 7, 2024

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**Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Casey Hoyt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viemed Healthcare, 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 subsidiaries, 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 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: **May 6, 2024** August 7, 2024

/s/ Casey Hoyt

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Casey Hoyt  
Chief Executive Officer

**Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Trae Fitzgerald, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viemed Healthcare, 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 subsidiaries, 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 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: **May 6, 2024** **August 7, 2024**

*/s/* Trae Fitzgerald  
Trae Fitzgerald  
Chief Financial Officer

**Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Casey Hoyt, the Chief Executive Officer of Viemed Healthcare, Inc. (the "Company"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended **March 31, 2024** **June 30, 2024** (the "Report") of the Company 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: **May 6, 2024** **August 7, 2024**

*/s/* Casey Hoyt  
Casey Hoyt  
Chief Executive Officer

**Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Trae Fitzgerald, the Chief Financial Officer of Viemed Healthcare, Inc. (the "Company"), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the period ended **March 31, 2024** **June 30, 2024** (the "Report") of the Company 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: **May 6, 2024** **August 7, 2024**

*/s/* Trae Fitzgerald

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Trae Fitzgerald

Chief Financial Officer

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