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 **September 30, 2022**

or

☐ **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: 000-55768

HealthLynked Corp.
(Exact name of registrant as specified in its charter)

Nevada	**47-1634127**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1265 Creekside Parkway, Suite 302, Naples FL 34108
(Address of principal executive offices)

(800) 928-7144
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 November 14, 2022, there were 254,382,625 shares of the issuer's common stock, par value $0.0001, outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

HEALTHLYNKED CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2022	December 31, 2021
	(Unaudited)	
ASSETS		
Current Assets		
Cash	$ 158,160	$ 3,291,646
Accounts receivable, net of allowance for doubtful accounts of $-0- and $13,972 as of September 30, 2022 and December 31, 2021, respectively	63,855	86,287
Inventory	188,546	134,930
Prepaid expenses and other	94,968	137,630
Total Current Assets	505,529	3,650,493
Property, plant and equipment, net of accumulated depreciation of $368,985 and $283,512 as of September 30, 2022 and December 31, 2021, respectively	441,332	350,482
Intangible assets, net of accumulated amortization of $1,410,250 and $873,417 as of September 30, 2022 and December 31, 2021, respectively	4,343,288	4,880,121
Goodwill	1,468,063	1,148,105
Right of use lease assets	636,267	526,730
Deferred equity compensation and deposits	84,091	138,625
Total Assets	$ 7,478,570	$ 10,694,556
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,194,293	$ 790,843
Contract liabilities	65,252	72,838
Lease liability, current portion	378,759	288,966
Due to related party, current portion	300,600	300,600
Notes payable, current portion, net of unamortized original issue discount of $20,879 and $-0- as of September 30, 2022 and December 31, 2021	397,869	---
Liability-classified equity instruments, current portion	30,625	61,250
Contingent acquisition consideration, current portion	128,074	403,466
Total Current Liabilities	2,495,472	1,917,963
Long-Term Liabilities		
Government notes payable, long term portion	450,000	450,000
Liability-classified equity instruments, long term portion	52,500	101,250
Contingent acquisition consideration, long term portion	184,659	782,224
Lease liability, long term portion	259,845	239,225
Total Liabilities	3,442,476	3,490,662
Shareholders' Equity		
Common stock, par value $0.0001 per share, 500,000,000 shares authorized, 247,857,625 and 237,893,473 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	24,786	23,789
Series B convertible preferred stock, par value $0.001 per share, 20,000,000 shares authorized, 2,750,000 and 2,750,000 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	2,750	2,750
Common stock issuable, $0.0001 par value; 1,329,469 and 719,366 shares as of September 30, 2022 and December 31, 2021, respectively	345,345	282,347
Additional paid-in capital	40,410,147	39,100,197
Accumulated deficit	(36,746,934)	(32,205,189)
Total Shareholders' Equity	4,036,094	7,203,894
Total Liabilities and Shareholders' Equity	$ 7,478,570	$ 10,694,556

See the accompanying notes to these Unaudited Condensed Consolidated Financial Statements

HEALTHLYNKED CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue				
Patient service revenue, net	$ 1,262,253	$ 1,394,356	$ 4,069,714	$ 4,379,282
Medicare shared savings revenue	---	2,419,312	---	2,419,312
Subscription, consulting and event revenue	89,977	69,595	260,491	229,114
Product revenue	95,449	161,456	372,877	512,325
Total revenue	1,447,679	4,044,719	4,703,082	7,540,033
Operating Expenses and Costs				
Practice salaries and benefits	810,058	739,024	2,344,529	2,305,993
Other practice operating expenses	695,300	549,086	1,897,070	1,790,874
Medicare shared savings expenses	337,533	1,748,585	802,411	2,157,555
Cost of product revenue	87,775	145,432	419,129	474,026
Selling, general and administrative expenses	1,088,133	1,147,591	3,678,784	3,661,206
Depreciation and amortization	209,504	205,311	622,306	623,438
Total Operating Expenses and Costs	3,228,303	4,535,029	9,764,229	11,013,092
Loss from operations	(1,780,624)	(490,310)	(5,061,147)	(3,473,059)
Other Income (Expenses)				
Gain (loss) on extinguishment of debt	---	---	---	(4,957,168)
Change in fair value of debt	---	---	---	(19,246)
Financing cost	(110,000)	---	(110,000)	---
Amortization of original issue discounts on notes payable	(21,020)	---	(21,020)	---
Change in fair value of contingent acquisition consideration	133,483	126,411	665,573	(234,678)
Interest (expense) income	(5,640)	(4,118)	(15,151)	(13,083)
Total other income (expenses)	(3,177)	122,293	519,402	(5,224,175)
Net loss before provision for income taxes	(1,783,801)	(368,017)	(4,541,745)	(8,697,234)
Provision for income taxes	---	---	---	---
Net loss	(1,783,801)	(368,017)	(4,541,745)	(8,697,234)
Deemed dividend - amortization of beneficial conversion feature	(88,393)	(88,393)	(265,179)	(265,179)
Net loss to common shareholders	$ (1,872,194)	$ (456,410)	$ (4,806,924)	$ (8,962,413)
Net loss per share to common shareholders, basic and diluted:				
Basic	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.04)
Fully diluted	(0.01)	(0.00)	(0.02)	(0.04)
Weighted average number of common shares:				
Basic	243,355,562	232,203,244	240,006,507	224,658,709
Fully diluted	243,355,562	232,203,244	240,006,507	224,658,709

See the accompanying notes to these Unaudited Condensed Consolidated Financial Statements

HEALTHLYNKED CORP.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
NINE MONTHS ENDED SEPTEMBER 30, 2022
(UNAUDITED)

	Number of Shares							
	Common Stock	Preferred Stock	Common Stock	Preferred Stock	Common Stock Issuable	Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity
	(#)	(#)	($)	($)	($)	($)	($)	($)
Balance at December 31, 2021	**237,893,473**	**2,750,000**	**23,789**	**2,750**	**282,347**	**39,100,197**	**(32,205,189)**	**7,203,894**
Consultant and director fees payable with common shares and warrants	5,250	---	1	---	73,470	8,044	---	81,515
Shares and options issued to employees	133,000	---	13	---	(37,777)	64,547	---	26,783
Exercise of stock options	1,394	---	---	---	---	---	---	---
Net loss	---	---	---	---	---	---	(1,168,123)	(1,168,123)
Balance at March 31, 2022	**238,033,117**	**2,750,000**	**23,803**	**2,750**	**318,040**	**39,172,788**	**(33,373,312)**	**6,144,069**
Sales of common stock	66,667	---	7	---	---	8,270	---	8,277
Fair value of warrants allocated to proceeds of common stock	---	---	---	---	---	1,723	---	1,723
Shares issued in acquisition of AEU	871,633	---	79	---	---	103,725	---	103,804
Consultant and director fees payable with common shares and warrants	79,011	---	16	---	58,252	47,164	---	105,432
Shares and options issued to employees	30,000	---	3	---	(31,250)	62,364	---	31,117
Net loss	---	---	---	---	---	---	(1,589,821)	(1,589,821)
Balance at June 30, 2022	**239,080,428**	**2,750,000**	**23,908**	**2,750**	**345,042**	**39,396,034**	**(34,963,133)**	**4,804,601**
Sales of shares pursuant to Standby Equity Purchase Agreement	2,708,100	---	271	---		297,134	---	297,405
Stock based financing fees	895,255	---	90	---		99,910	---	100,000
Other sales of common stock	4,931,818		493			405,587		406,080
Fair value of warrants allocated to proceeds of common stock		---		---		118,920	---	118,920
Consultant and director fees payable with common shares and warrants	142,024	---	14	---	43,803	49,036	---	92,853
Shares and options issued to employees	100,000	---	10	---	(43,500)	43,526	---	36
Net loss	---	---	---	---	---	---	(1,783,801)	(1,783,801)
Balance at September 30, 2022	**247,857,625**	**2,750,000**	**24,786**	**2,750**	**345,345**	**40,410,147**	**(36,746,934)**	**4,036,094**

See the accompanying notes to these Unaudited Condensed Consolidated Financial Statements

HEALTHLYNKED CORP.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
NINE MONTHS ENDED SEPTEMBER 30, 2021
(UNAUDITED)

	Number of Shares							
	Common Stock	**Preferred Stock**	**Common Stock**	**Preferred Stock**	**Common Stock Issuable**	**Additional Paid-in Capital**	**Accumulated Deficit**	**Total Shareholders' Equity**
	(#)	*(#)*	*($)*	*($)*	*($)*	*($)*	*($)*	*($)*
Balance at December 31, 2020	**187,967,881**	**2,750,000**	**18,797**	**2,750**	**262,273**	**22,851,098**	**(21,784,910)**	**1,350,008**
Sales of common stock	14,793,864	---	1,479	---		2,981,367	---	2,982,846
Fair value of warrants allocated to proceeds of common stock	---	---	---	---		1,406,515	---	1,406,515
Conversion of convertible notes payable to common stock	13,538,494	---	1,354	---		4,060,194	---	4,061,548
Fair value of warrants issued in connection with conversion and retirement of convertible notes payable	---	---	---	---	---	3,201,138	---	3,201,138
Fair value of warrants issued for professional services	---	---	---	---	---	32,426	---	32,426
Consultant and director fees payable with common shares and warrants	475,000	---	48	---	114,500	122,781	---	237,329
Shares and options issued pursuant to employee equity incentive plan	240,310	---	24	---	(14,956)	52,337	---	37,405
Exercise of stock warrants	9,047,332	---	905	---	62,500	613,316	---	676,721
Exercise of stock options	12,500	---	1	---		3,149	---	3,150
Net loss	---	---	---	---	---	---	(7,823,453)	(7,823,453)
Balance at March 31, 2021	**226,075,381**	**2,750,000**	**22,608**	**2,750**	**424,317**	**35,324,321**	**(29,608,363)**	**6,165,633**
Sales of common stock	374,177	---	37	---	---	177,642	---	177,679
Fair value of warrants allocated to proceeds of common stock	---	---	---	---	---	82,320	---	82,320
Fair value of warrants issued for professional services	---	---	---	---	---	3,603	---	3,603
Consultant and director fees payable with common shares and warrants	93,492	---	9	---	68,807	17,990	---	86,806
Shares and options issued pursuant to employee equity incentive plan	875,047	---	88	---	(147,791)	211,358	---	63,655
Exercise of stock warrants	1,225,000	---	123	---	62,500	152,378	---	215,001
Exercise of stock options	133,000	---	13	---	---	13,287	---	13,300
Net loss	---	---	---	---	---	---	(505,764)	(505,764)
Balance at June 30, 2021	**228,776,097**	**2,750,000**	**22,878**	**2,750**	**407,833**	**35,982,899**	**(30,114,127)**	**6,302,233**
Sales of common stock	4,703,704	---	470	---	---	1,608,874	---	1,609,344
Fair value of warrants allocated to proceeds of common stock	---	---	---	---	---	690,577	---	690,577
Contingent acquisition consideration issuable	---	---	---	---	366,300	---	---	366,300
Fair value of warrants issued for professional services	---	---	---	---	---	3,603	---	3,603
Consultant and director fees payable with common shares and warrants	8,750	---	1	---	84,785	4,942	---	89,728
Shares and options issued pursuant to employee equity incentive plan	375,000	---	37	---	(5,550)	25,955	---	20,442
Exercise of stock warrants	1,840,278	---	184	---	(125,000)	181,066	---	56,250
Net loss	---	---	---	---	---	---	(368,017)	(368,017)
Balance at September 30, 2021	**235,703,829**	**2,750,000**	**23,570**	**2,750**	**728,368**	**38,497,916**	**(30,482,144)**	**8,770,460**

See the accompanying notes to these Unaudited Condensed Consolidated Financial Statements

HEALTHLYNKED CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash Flows from Operating Activities		
Net loss	$ (4,541,745)	$ (8,697,234)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	622,306	623,438
Stock based compensation, including amortization of deferred equity compensation	326,485	574,998
Amortization of debt discount	21,020	---
Stock-based financing cost	100,000	---
Loss on extinguishment of debt	---	4,957,168
Change in fair value of debt	---	19,246
Change in fair value of contingent acquisition consideration	(665,573)	234,678
Changes in operating assets and liabilities:		
Accounts receivable	22,432	(25,831)
Inventory	(40,345)	(11,706)
Prepaid expenses and deposits	29,072	(40,516)
Right of use lease assets	255,632	78,835
Accounts payable and accrued expenses	370,413	800,732
Lease liability	(254,756)	(82,102)
Contract liabilities	(7,585)	(58,890)
Net cash used in operating activities	(3,762,644)	(1,627,184)
Cash Flows from Investing Activities		
Acquisition, net of cash acquired	(313,802)	---
Payment of contingent acquisition consideration	(207,384)	(322,106)
Acquisition of property and equipment	(23,564)	(12,475)
Net cash used in investing activities	(544,750)	(334,581)
Cash Flows from Financing Activities		
Proceeds from sale of common stock	706,787	6,949,281
Proceeds from exercise of options and warrants	---	350,200
Proceeds from notes payable	522,500	---
Repayment of notes payable	(55,379)	(51,109)
Net cash provided by financing activities	1,173,908	7,248,372
Net (decrease) increase in cash	**(3,133,486)**	**5,286,607**
Cash, beginning of period	3,291,646	162,184
Cash, end of period	**$ 158,160**	**$ 5,448,791**
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 2,514	$ 232
Cash paid during the period for income tax	$ ---	$ ---
Schedule of non-cash investing and financing activities:		
Fair value of shares issued as purchase price consideration	$ 103,804	$ ---
Common stock issuable issued during period	$ 112,528	$ 192,547
Net carrying value of equity liabilities (assets) written off	$ 21,359	$ ---
Proceeds from sale of common stock under Standby Equity Purchase Agreement applied to note payable balance	$ 125,618	$ ---
Debt discount and original issue discount allocated to proceeds of notes payable	$ 38,500	$ ---
Recognition of operating lease: right of use asset and lease liability	$ 284,905	$ ---
Forgiveness of government loans	$ ---	$ 632,826
Fair value of warrants issued for professional service	$ ---	$ 36,030
Incremental fair value of warrants modified to extend maturity date of convertible notes payable	$ ---	$ 126,502
Conversion of convertible note payable to common shares	$ ---	$ 4,061,549
Fair value of warrants issued in connection with conversion of convertible notes payable	$ ---	$ 3,074,637
Accrued liabilities relieved upon cashless exercise of warrants	$ ---	$ 614,221
Contingent acquisition consideration payable in common stock	$ ---	$ 366,300

See the accompanying notes to these Unaudited Condensed Consolidated Financial Statements

HEALTHLYNKED CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(UNAUDITED)

NOTE 1 - BUSINESS AND BUSINESS PRESENTATION

HealthLynked Corp. (the "Company") was incorporated in the State of Nevada on August 4, 2014. On September 2, 2014, the Company filed Amended and Restated Articles of Incorporation with the Secretary of State of Nevada setting the total number of authorized shares at 250,000,000 shares, which included up to 230,000,000 shares of common stock and 20,000,000 shares of "blank check" preferred stock. On February 5, 2018, the Company filed an Amendment to its Amended and Restated Articles of Incorporation with the Secretary of State of Nevada to increase the number of authorized shares of common stock to 500,000,000 shares.

The Company currently operates in four distinct divisions: the Health Services Division, the Digital Healthcare Division, the ACO/MSO (Accountable Care Organization / Managed Service Organization) Division, and the Medical Distribution Division. The Health Services division is comprised of the operations of (i) Naples Women's Center ("NWC"), a multi-specialty medical group including OB/GYN (both Obstetrics and Gynecology) and General Practice, (ii) Naples Center for Functional Medicine ("NCFM"), a Functional Medical Practice engaged in improving the health of its patients through individualized and integrative health care, (iii) Bridging the Gap Physical Therapy ("BTG"), a physical therapy practice in Bonita Springs, FL that provides hands-on functional manual therapy techniques to speed patients' recovery and manage pain without pain medication or surgery, and (iv) Aesthetic Enhancements Unlimited ("AEU"), a patient service facility specializing in minimally and non-invasive cosmetic services acquired by the Company in May 2022. The Digital Healthcare division develops and operates an online personal medical information and record archive system, the "HealthLynked Network," which enables patients and doctors to keep track of medical information via the Internet in a cloud-based system. The ACO/MSO Division is comprised of the operations of Cura Health Management LLC ("CHM") and its subsidiary ACO Health Partners LLC ("AHP"), which were acquired by the Company on May 18, 2020. CHM and AHP operate an Accountable Care Organization ("ACO") and Managed Service Organization ("MSO") that assists physician practices in providing coordinated and more efficient care to patients via the Medicare Shared Savings Program ("MSSP") as administered by the Centers for Medicare and Medicaid Services (the "CMS"), which rewards providers for efficiency in patient care. The Medical Distribution Division is comprised of the operations of MedOffice Direct LLC ("MOD"), a virtual distributor of discounted medical supplies selling to both consumers and medical practices throughout the United States. As described in Note 18, "Subsequent Events," during October 2022, the Company's Board of Directors approved the sale of the ACO/MSO Division. The Company expects to complete sale by first quarter 2023 and use the cash proceeds generated from the sale to supplement its operating cash requirements and pursue additional acquisitions.

These unaudited condensed consolidated financial statements reflect all adjustments including normal recurring adjustments, which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows for the periods presented in accordance with the accounting principles generally accepted in the United States of America ("GAAP"). These unaudited condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the years ended December 31, 2021 and 2020, respectively, which are included in the Company's Form 10-K, filed with the United States Securities and Exchange Commission (the "Commission") on March 31, 2022, as amended by the Company's Form 10-K/A filed with the Commission on June 3, 2022. The Company assumes that the users of the interim financial information herein have read, or have access to, the audited consolidated financial statements for the preceding period, and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The results of operations for the three and nine months ended September 30, 2022 are not necessarily indicative of results for the entire year ending December 31, 2022.

On a consolidated basis, the Company's operations are comprised of the parent company, HealthLynked Corp., and its seven subsidiaries: NWC, NCFM, BTG, CHM, AHP, MOD and AEU. All significant intercompany transactions and balances have been eliminated upon consolidation. In addition, certain amounts in the prior periods' consolidated financial statements have been reclassified to conform to the current period presentation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the presentation of the accompanying consolidated financial statements follows:

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in conformity with GAAP.

All amounts referred to in the notes to the consolidated financial statements are in United States Dollars ($) unless stated otherwise.

HEALTHLYNKED CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(UNAUDITED)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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. Accordingly, actual results could differ from those estimates. Significant estimates include assumptions about fair valuation of acquired intangible assets, cash flow and fair value assumptions associated with measurements of contingent acquisition consideration and impairment of intangible assets and goodwill, valuation of inventory, collection of accounts receivable, the valuation and recognition of stock-based compensation expense, valuation allowance for deferred tax assets, borrowing rate consideration for right-of-use (“ROU”) lease assets including related lease liability and useful life of fixed assets.

Revenue Recognition

Patient service revenue

Patient service revenue is earned for GYN services provided to patients at our NWC facility, functional medicine services provided to patients at our NCFM facility, and physical therapy services provided to patients at our BTG facility. Patient service revenue is reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing patient care. These amounts are due from patients and third-party payors (including health insurers and government programs) and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Company bills patients and third-party payors within days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time, which includes prepaid BTG physical therapy bundles for which performance obligations are satisfied over time as visits are incurred, is recognized based on actual charges incurred in relation to total expected charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenue for performance obligations satisfied at a point in time, which includes all patient service revenue other than BTG physical therapy bundles, is recognized when goods or services are provided at the time of the patient visit, and at which time the Company is not required to provide additional goods or services to the patient.

The Company determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Company’s policy, and/or implicit price concessions provided to uninsured patients. Estimates of contractual adjustments and discounts require significant judgment and are based on the Company’s current contractual agreements, its discount policies, and historical experience. The Company determines its estimate of implicit price concessions based on its historical collection experience with this class of patients. There were no material changes during the nine months ended September 30, 2022 or 2021 to the judgments applied in determining the amount and timing of patient service revenue.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

- **Medicare:** Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates.

- **Medicaid:** Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member.

- **Other:** Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

HEALTHLYNKED CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
(UNAUDITED)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Company's compliance with these laws and regulations, and it is not possible to determine the impact, if any, such claims or penalties would have upon the Company. In addition, the contracts the Company has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Company's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews, and investigations.

The Company also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Company estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Patient services provided by NCFM, BTG and AEU are provided on a cash basis and not submitted through third party insurance providers. Contract liabilities related to prepaid BTG patient service revenue were $23,015 and $42,530 as of September 30, 2022 and December 31, 2021, respectively.

Medicare Shared Savings Revenue

The Company earns Medicare shared savings revenue based on performance of the population of patient lives for which it is accountable as an ACO against benchmarks established by the MSSP. Because the MSSP, which was formed in 2012, is relatively new and has limited historical experience, the Company cannot accurately predict the amount of shared savings that will be determined by CMS. Such amounts are determined annually when the Company is notified by CMS of the amount of shared savings earned. Accordingly, the Company recognizes Medicare shared savings revenue in the period in which the CMS notifies the Company of the exact amount of shared savings to be paid, which historically has occurred during the fiscal quarter ended September 30 for the program year ended December 31 of the previous year. Based on the ACO operating agreements, the Company bears all costs of the ACO operations until revenue is recognized. At that point, the Company shares in up to 100% of the revenue to recover its costs incurred.

Consulting and Event Revenue

Also pursuant to ASC 606, the Company recognizes service revenue as services are provided, with any unearned but paid amounts recorded as a contract liability at each balance sheet date. Contract liabilities related to consulting revenue were $25,000 and $25,000 as of September 30, 2022 and December 31, 2021, respectively. Event revenue, comprised of admission fees for summit events, is recognized when an event is held.

Product Revenue

Revenue is derived from the distribution of medical products that are sourced from a third party. The Company recognizes revenue at a point in time when title transfers to customers and the Company has no further obligation to provide services related to such products, which occurs when the product ships. The Company is the principal in its revenue transactions and as a result revenue is recorded on a gross basis. The Company has determined that it controls the ability to direct the use of the product provided prior to transfer to a customer, is primarily responsible for fulfilling the promise to provide the product to its customer, has discretion in establishing prices, and ultimately controls the transfer of the product to the customer. Shipping and handling costs billed to customers are recorded in revenue. Contract liabilities related to product revenue were $17,237 and $5,308 as of September 30, 2022 and December 31, 2021, respectively. There were no contract assets as of September 30, 2022 or December 31, 2021.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sales are made inclusive of sales tax, where such sales tax is applicable. Sales tax is applicable on sales made in the state of Florida, where the Company has physical nexus. The Company has determined that it does not have economic nexus in any other states. The Company does not sell products outside of the United States.

The Company maintains a return policy that allows customers to return a product within a specified period of time prior to and subsequent to the expiration date of the product. The Company analyzes the need for a product return allowance at the end of each period based on eligible products. Product return allowance was $5,643 and $14,834 as of September 30, 2022 and December 31, 2021, respectively.

Contract Liabilities

Contract liabilities represent payments from customers for consulting services, patient services and medical products that precede the Company's service or product fulfillment performance obligation. The Company's total contract liabilities balance were $65,252 and $72,838 as of September 30, 2022 and December 31, 2021, respectively.

Provider shared savings expense

Provider shared savings expense represents the ongoing operating expenses of the ACO and annual payments made to the ACO's participating providers from shared savings revenue payments received from CMS (the "Annual Provider Payment"). The pool of funds available for the Annual Provider Payment, as well as the amounts paid to each individual participating provider from the pool, is determined by ACO management after an annual determination of Medicare shared savings revenue is made by CMS. Expenses related to ongoing operation of the ACO may be deducted from the Medicare shared savings revenue before determining the Annual Provider Payment. Such expenses are recognized in "Provider shared savings expense" as incurred. Expense related to the Annual Provider Payment is recognized in the period in which the size of the Annual Provider Payment pool is determined, which typically corresponds to the period in which the shared saving payment is received from CMS and shared savings revenue is recognized. This typically occurs in the second half of the year following the completion of the program year.

Cash and Cash Equivalents

For financial statement purposes, the Company considers all highly liquid investments with original maturities of six months or less to be cash and cash equivalents. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. As of September 30, 2022 and December 31, 2021, the Company had $-0- and $2,957,040 in excess of the FDIC insured limit, respectively.

Accounts Receivable

Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectability based on past collectability of the insurance companies, government agencies, and customers' accounts receivable during the related period which generally approximates 48% of total billings. Trade accounts receivable are recorded at this net amount. As of September 30, 2022 and December 31, 2021, the Company's gross patient services accounts receivable were $84,905 and $193,363, respectively, and net patient services accounts receivable were $41,349 and $86,287, respectively, based upon net reporting of accounts receivable. The Company also had consulting services receivable of $22,506 and $-0- as of September 30, 2022 and December 31, 2021, respectively. As of September 30, 2022 and December 31, 2021, the Company's allowance of doubtful accounts was $-0- and $13,972, respectively.

Leases

Upon transition under ASU 2016-02, the Company elected the suite of practical expedients as a package applied to all of its leases, including (i) not reassessing whether any expired or existing contracts are or contain leases, (ii) not reassessing the lease classification for any expired or existing leases, and (iii) not reassessing initial direct costs for any existing leases. For new leases, the Company will determine if an arrangement is or contains a lease at inception. Leases are included as ROU assets within other assets and ROU liabilities within accrued expenses and other liabilities and within other long-term liabilities on the Company's consolidated balance sheets.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company's leases do not provide an implicit rate. The Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. See Note 8 for more complete details on balances as of the reporting periods presented herein.

Inventory

Inventory consisting of supplements, is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. Outdated inventory is directly charged to cost of goods sold.

Goodwill and Intangible Assets

Goodwill is recognized as the excess cost of an acquired entity over the net amount assigned to assets acquired and liabilities assumed. Goodwill is not amortized, but rather tested for impairment on an annual basis and more often if circumstances require. Impairment losses are recognized whenever the implied fair value of goodwill is less than its carrying value.

The Company recognizes an acquired intangible apart from goodwill whenever the intangible arises from contractual or other legal rights, or whenever it can be separated or divided from the acquired entity and sold, transferred, licensed, rented or exchanged, either individually or in combination with a related contract, asset or liability. Such intangibles are amortized over their estimated useful lives unless the estimated useful life is determined to be indefinite. Amortizable intangible assets are being amortized primarily over useful lives of five years. The straight-line method of amortization is used as it has been determined to approximate the use pattern of the assets. Impairment losses are recognized if the carrying amount of an intangible that is subject to amortization is not recoverable from expected future cash flows and its carrying amount exceeds its fair value.

The Company also maintains intangible assets with indefinite lives, which are not amortized. These intangibles are tested for impairment on an annual basis and more often if circumstances require. Impairment losses are recognized whenever the implied fair value of these assets is less than their carrying value. No impairment charges were recognized in the three and nine months ended September 30, 2022 or 2021.

Concentrations of Credit Risk

The Company's financial instruments that are exposed to a concentration of credit risk are cash and accounts receivable. There are no patients/customers that represent 10% or more of the Company's revenue or accounts receivable. Generally, the Company's cash and cash equivalents are in checking accounts. The Company relies on a sole supplier for the fulfillment of substantially all of its product sales made through MOD.

Property and Equipment

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For consolidated financial statement purposes, property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of 5 to 7 years. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized.

The Company examines the possibility of decreases in the value of fixed assets when events or changes in circumstances reflect the fact that their recorded value may not be recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Convertible Notes

Convertible notes are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized as additional paid-in capital and included in equity, net of income tax effects, and is not subsequently remeasured. After initial measurement, they are carried at amortized cost using the effective interest method. Convertible notes for which the maturity date has been extended and that qualify for debt extinguishment treatment are recorded at fair value on the extinguishment date and then revalued at the end of each reporting period, with the change recorded to the statement of operations under "Change in Fair Value of Debt."

Government Notes Payable

During 2020, the Company and certain of its subsidiaries received loans under the Paycheck Protection Program (the "PPP"). The PPP loans, administered by the U.S. Small Business Administration (the "SBA"), were issued under the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. Pursuant to the terms of the PPP, principal amounts may be forgiven if loan proceeds are used for qualifying expenses as described in the CARES Act, including costs such as payroll, benefits, employer payroll taxes, rent and utilities. The Company accounts for forgiveness of government loans pursuant to FASB ASC 470, "Debt," ("ASC 470"). Pursuant to ASC 470, loan forgiveness is recognized in earnings as a gain on extinguishment of debt when the debt is legally released by the lender.

Fair Value of Assets and Liabilities

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability (i.e. an exit price) in the principal or most advantageous market in an orderly transaction between market participants. In determining fair value, the accounting standards have established a three-level hierarchy that distinguishes between (i) market data obtained or developed from independent sources (i.e., observable data inputs) and (ii) a reporting entity's own data and assumptions that market participants would use in pricing an asset or liability (i.e., unobservable data inputs). Financial assets and financial liabilities measured and reported at fair value are classified in one of the following categories, in order of priority of observability and objectivity of pricing inputs:

- *Level 1* – Fair value based on quoted prices in active markets for identical assets or liabilities*;*

- *Level 2* – Fair value based on significant directly observable data (other than Level 1 quoted prices) or significant indirectly observable data through corroboration with observable market data. Inputs would normally be (i) quoted prices in active markets for similar assets or liabilities, (ii) quoted prices in inactive markets for identical or similar assets or liabilities or (iii) information derived from or corroborated by observable market data;

- *Level 3* – Fair value based on prices or valuation techniques that require significant unobservable data inputs. Inputs would normally be a reporting entity's own data and judgments about assumptions that market participants would use in pricing the asset or liability.

The fair value measurement level for an asset or liability is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company utilizes a binomial lattice option pricing model to estimate the fair value of options, warrants, beneficial conversion features and other Level 3 financial assets and liabilities. The Company believes that the binomial lattice model results in the best estimate of fair value because it embodies all of the requisite assumptions (including the underlying price, exercise price, term, volatility, and risk-free interest-rate) necessary to fairly value these instruments and, unlike less sophisticated models like the Black-Scholes model, it also accommodates assumptions regarding investor exercise behavior and other market conditions that market participants would likely consider in negotiating the transfer of such an instruments.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stock-Based Compensation

The Company accounts for stock-based compensation to employees and nonemployees under ASC 718 "Compensation – Stock Compensation" using the fair value-based method. Under this method, compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. This guidance establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. The Company uses a binomial lattice pricing model to estimate the fair value of options and warrants granted.

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse and are considered immaterial. No income tax has been provided for the three and nine months ended September 30, 2022 and 2021, since the Company has sustained a loss for both periods. Due to the uncertainty of the utilization and recoverability of the loss carry-forwards and other deferred tax assets, management has determined a full valuation allowance for the deferred tax assets, since it is more likely than not that the deferred tax assets will not be realizable.

Recurring Fair Value Measurements

The carrying value of the Company's financial assets and financial liabilities is their cost, which may differ from fair value. The carrying value of cash held as demand deposits, money market and certificates of deposit, marketable investments, accounts receivable, short-term borrowings, accounts payable, accrued liabilities, and derivative financial instruments approximated their fair value.

Deemed Dividend

The Company incurs a deemed dividend on Series B Convertible Preferred Voting Stock (the "Series B Preferred"). As the intrinsic price per share of the Series B Preferred was less than the deemed fair value of the Company's common stock on the date of issuance of the Series B Preferred, the Series B Preferred contains a beneficial conversion feature as described in FASB ASC 470-20, "Debt with Conversion and Other Options." The difference in the stated conversion price and estimated fair value of the common stock is accounted for as a beneficial conversion feature and affects income or loss available to common stockholders for purposes of earnings per share available to common stockholders. The Company incurs further deemed dividends on certain of its warrants containing a down round provision equal to the difference in fair value of the warrants before and after the triggering of the down round adjustment.

Net Loss per Share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. During the three and nine months ended September 30, 2022 and 2021, the Company reported a net loss and excluded all outstanding stock options, warrants and other dilutive securities from the calculation of diluted net loss per common share because inclusion of these securities would have been anti-dilutive. As of September 30, 2022 and December 31, 2021, potentially dilutive securities were comprised of (i) 62,259,569 and 59,796,992 warrants outstanding, respectively, (ii) 3,999,250 and 3,456,250 stock options outstanding, respectively, (iii) 219,768 and 302,050 unissued shares subject to future vesting requirements granted pursuant to the Company's Employee Incentive Plan, (iv) up to 1,329,469 common shares issuable that are earned but not paid under consulting and director compensation arrangements, and (v) up to 13,750,000 and 13,750,000 shares of common stock issuable upon conversion of Series B Preferred.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Common stock awards

The Company grants common stock awards to non-employees in exchange for services provided. The Company measures the fair value of these awards using the fair value of the services provided or the fair value of the awards granted, whichever is more reliably measurable. The fair value measurement date of these awards is generally the date the performance of services is complete. The fair value of the awards is recognized on a straight-line basis as services are rendered. The share-based payments related to common stock awards for the settlement of services provided by non-employees is recorded on the consolidated statement of comprehensive loss in the same manner and charged to the same account as if such settlements had been made in cash. From time to time, the Company also issues stock awards settleable in a variable number of common shares. Such awards are classified as liabilities until such time as the number of shares underlying the grant is determinable.

Warrants

In connection with certain financing, consulting and collaboration arrangements, the Company has issued warrants to purchase shares of its common stock. The outstanding warrants are standalone instruments that are not puttable or mandatorily redeemable by the holder and are classified as equity awards. The Company measures the fair value of the awards using the Black-Scholes pricing model as of the measurement date. The Company uses a binomial lattice pricing model to estimate the fair value of compensation options and warrants. Warrants issued in conjunction with the issuance of common stock are initially recorded at fair value as a reduction in additional paid-in capital of the common stock issued. All other warrants are recorded at fair value as expense over the requisite service period, or at the date of issuance, if there is not a service period. Certain of the Company's warrants include a so-called down round provision. The Company accounts for such provisions pursuant to ASU No. 2017-11, *Earnings Per Share, Distinguishing Liabilities from Equity and Derivatives and Hedging*, which calls for the recognition of a deemed dividend in the amount of the incremental fair value of the warrant due to the down round when triggered.

Business Segments

The Company uses the "management approach" to identify its reportable segments. The management approach designates the internal organization used by management for making operating decisions and assessing performance as the basis for identifying the Company's reportable segments. Using the management approach, the Company determined that it has four operating segments: Health Services (multi-specialty medical group including the NWC GYN practice, the NCFM functional medicine practice, the BTG physical therapy practice, and the AEU cosmetic services practice), Digital Healthcare (develops and markets the "HealthLynked Network," an online personal medical information and record archive system), ACO/MSO (comprised of the ACO/MSO business acquired with CHM in May 2020, which assists physician practices in providing coordinated and more efficient care to patients via the MSSP), and Medical Distribution (comprised of the operations of MOD, a virtual distributor of discounted medical supplies selling to both consumers and medical practices).

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-03, "Codification Improvements to Financial Instruments": The amendments in this update are to clarify, correct errors in, or make minor improvements to a variety of ASC topics. The changes in ASU 2020-03 are not expected to have a significant effect on current accounting practices. The ASU improves various financial instrument topics in the Codification to increase stakeholder awareness of the amendments and to expedite the improvement process by making the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. The ASU is effective for smaller reporting companies for fiscal years beginning after December 15, 2022 with early application permitted. The Company is currently evaluating the impact the adoption of this guidance may have on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06 *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)* related to the measurement and disclosure requirements for convertible instruments and contracts in an entity's own equity. The pronouncement simplifies and adds disclosure requirements for the accounting and measurement of convertible instruments and the settlement assessment for contracts in an entity's own equity. This pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2021 and early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company is currently evaluating the impact that this standard will have on its consolidated financial statements.

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In October 2021, the FASB issued guidance which requires companies to apply Topic 606, *Revenue from Contracts with Customers*, to recognize and measure contract assets and contract liabilities from contracts with customers acquired in a business combination. Public entities must adopt the new guidance for fiscal years beginning after December 15, 2022 and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact and timing of adoption of this guidance.

Recently Adopted Pronouncements

In December 2019, the FASB issued ASU 2019-12 *Simplifying the Accounting for Income Taxes*, which eliminates the need for an organization to analyze whether the following apply in a given period: (1) exception to the incremental approach for intra-period tax allocation; (2) exceptions to accounting for basis differences when there are ownership changes in foreign investments; and (3) exceptions in interim period income tax accounting for year-to-date losses that exceed anticipated losses. ASU No. 2019-12 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company adopted this standard in the year ended December 31, 2021. The adoption did not have a material effect on the Company's consolidated financial statements.

In May 2021, the Financial Accounting Standards Board ("FASB") issued ASU 2021-04, Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40). ASU 2021-04 clarifies and reduces diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The ASU provides guidance to clarify whether an issuer should account for a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange as (1) an adjustment to equity and, if so, the related earnings per share effects, if any, or (2) an expense and, if so, the manner and pattern of recognition. ASU 2021-04 is effective for annual periods beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact that this standard will have on its consolidated financial statements. The Company adopted this standard for the year ended December 31, 2022. The adoption did not have a material effect on the Company's consolidated financial statements.

No other new accounting pronouncements were issued or became effective in the period that had, or are expected to have, a material impact on our consolidated Financial Statements.

NOTE 3 – LIQUIDITY AND GOING CONCERN ANALYSIS

Liquidity and Going Concern

During the second quarter of 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. This update provided U.S. GAAP guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. Under this standard, the Company is required to evaluate whether there is substantial doubt about its ability to continue as a going concern each reporting period, including interim periods. In evaluating the Company's ability to continue as a going concern, management considered the conditions and events that could raise substantial doubt about the Company's ability to continue as a going concern within 12 months after the Company's financial statements were issued (November 14, 2022). Management considered the Company's current financial condition and liquidity sources, including current funds available, forecasted future cash flows and the Company's obligations due before November 14, 2023.

The Company is subject to a number of risks, including uncertainty related to product development and generation of revenues and positive cash flow from its Digital Healthcare division and a dependence on outside sources of capital. The attainment of profitable operations is dependent on future events, including obtaining adequate financing to fulfill the Company's growth and operating activities and generating a level of revenues adequate to support the Company's cost structure.

The Company has experienced net losses and cash outflows from operating activities since inception. As of September 30, 2022, the Company had cash balances of $158,160, a working capital deficit of $1,989,943 and an accumulated deficit of $36,746,934. For the nine months ended September 30, 2022, the Company had a net loss of $4,541,745, net cash used by operating activities of $3,762,644, and $1,173,908 provided by financing activities. The Company expects to continue to incur net losses and have significant cash outflows for at least the next 12 months.

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NOTE 3 – LIQUIDITY AND GOING CONCERN ANALYSIS (CONTINUED)

Management has evaluated the significance of the conditions described above in relation to the Company's ability to meet its obligations and concluded that, without additional funding, the Company will not have sufficient funds to meet its obligations within one year from the date the condensed consolidated financial statements were issued.

On July 5, 2022, the Company entered into a Standby Equity Purchase Agreement (the "SEPA") with YA II PN, Ltd. ("Yorkville") (See Note 13, "Shareholders' Equity," below for additional information on the SEPA). Pursuant to the SEPA, the Company shall have the right to sell to Yorkville up to 30,000,000 of its shares of common stock, par value $0.0001 per share, at the Company's request any time during the three-year commitment period set forth in the SEPA. The sale of common stock pursuant to the SEPA provides the Company with additional cash flow availability for operational purposes. Because the purchase price per share to be paid by Yorkville for the shares of common stock sold by the Company to Yorkville pursuant to the SEPA, if any, will fluctuate based on the market prices of the Company's common stock during the applicable pricing period, the Company cannot reliably predict the actual purchase price per share to be paid by Yorkville for those shares, or the actual gross proceeds to be raised by the Company from those sales, if any. During the three and nine months ended September 30, 2022, the Company made 11 advances under the SEPA, receiving $297,405 in proceeds for the issuance of 2,708,100 shares of common stock, of which $125,618 was applied to the balance of the Promissory Note (as defined below).

On July 19, 2022, the Company issued to Yorkville a promissory note with an initial principal amount equal to $550,000 (the "Promissory Note") at a purchase price equal to the principal amount of the Promissory Note less any original issue discounts and fees. The Promissory Note will mature on the six-month anniversary of execution (See Note 12, "Notes Payable," below for additional information). During the three and nine months ended September 30, 2022, the Company made payments of $149,595 against the Promissory Note, including $125,618 applied from proceeds of sales of common stock under the SEPA. The unpaid principal balance as of September 30, 2022 was $411,405.

As described further in Note 18, "Subsequent Events," during October 2022, the Company's Board of Directors approved a plan to sell the ACO/MSO Division, comprised of the operations of CHM and its subsidiary AHP, which were acquired by the Company on May 18, 2020. CHM and AHP operate an ACO that assists physician practices in providing coordinated and more efficient care to patients via the MSSP, as administered by the CMS, which rewards providers for efficiency in patient care. The Company expects to use the cash proceeds generated from a sale to supplement its operating cash requirements and pursue additional acquisitions. The Company expects to complete a sale by the first quarter of 2023.

Without raising additional capital, either via additional advances made pursuant to the SEPA or from other sources, there is substantial doubt about the Company's ability to continue as a going concern through November 14, 2023. The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern. This basis of presentation contemplates the recovery of the Company's assets and the satisfaction of liabilities in the normal course of business.

NOTE 4 – ACQUISITION

On May 13, 2022, the Company acquired AEU, a patient service facility specializing in minimally and non-invasive cosmetic services including fat reduction, body sculpting, wrinkle reduction, hair removal, IV hydration, and feminine rejuvenation. The Company accounted for the transaction as an acquisition of a business pursuant to ASC 805, "Business Combinations" ("ASC 805"). Following the acquisition, AEU was incorporated into the Company's Health Services segment.

Under the terms of acquisition, the Company paid AEU equity holders consideration of (i) $139,923 cash (less $11,198 cash on hand at AEU as of the closing date), (ii) payment in cash of direct financial obligation of AEU on, or in close proximity to, the date of the business combination, in the amount of $185,077, and (iii) 792,394 shares of Company common stock at closing with a fair value of $103,804 determined using the average closing price of the Company's common shares for the five days preceding the acquisition date. The total consideration fair value represents a transaction value of $417,606. The following table summarizes the fair value of consideration paid:

Fair value of shares issued at closing	$	103,804
Cash consideration		139,923
Payment of AEU debt obligations in cash		185,077
Less cash received		(11,198)
Total Fair Value of Consideration Paid	$	417,606

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NOTE 4 – ACQUISITION (CONTINUED)

The following table summarizes the estimated fair values of the identifiable assets acquired and liabilities assumed at the acquisition date:

Inventory	$ 13,272
Fixed assets	152,759
Right of use lease asset	80,264
Accounts payable and accruals	(33,037)
Loans payable	(35,346)
Lease liability	(80,264)
Fair Value of Identifiable Assets Acquired and Liabilities Assumed	$ 97,648

Goodwill of $319,958 arising from the acquisition consists of value associated with the legacy name. None of the goodwill recognized is expected to be deductible for income tax purposes.

The following table represents the pro forma consolidated income statement as if AEU had been included in the consolidated results of the Company for the nine months ended September 30, 2022 and 2021.

	Nine Months Ended September 30,	
	2022	2021
Revenue	$ 4,919,274	$ 5,245,035
Net loss	$ (4,455,431)	$ (8,568,344)

These amounts have been calculated after applying the Company's accounting policies and adjusting the results of AEU to reflect the additional depreciation that would have been charged assuming the fair value adjustments to property, plant and equipment had been applied on January 1 of the period presented.

NOTE 5 – PREPAID EXPENSES AND OTHER

Prepaid and other expenses as of September 30, 2022 and December 31, 2021 were as follows:

	September 30, 2022	December 31, 2021
Insurance prepayments	$ 20,899	$ 25,020
Other expense prepayments	30,910	50,860
Rent deposits	44,125	49,125
Deferred equity compensation	83,125	151,250
Total prepaid expenses and other	179,059	276,255
Less: long term portion	(84,091)	(138,625)
Prepaid expenses and other, current portion	$ 94,968	$ 137,630

Deferred equity compensation reflects common stock grants made in 2021 from the Company's 2021 Equity Incentive Plan that vest over a four-year period and that are settleable for a fixed dollar amount rather than a fixed number of shares. The original grant date fair value of the equity compensation was $255,000. Amortization was $1,359 and $-0-, respectively, in the three months ended September 30, 2022 and $19,484 and $-0-, respectively, in the nine months ended September 30, 2022 and 2021. At inception, the Company recorded a corresponding liability captioned "Liability-classified equity instruments."

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NOTE 6 – PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment as of September 30, 2022 and December 31, 2021 were as follows:

	September 30, 2022	December 31, 2021
Medical equipment	$ 493,854	$ 484,126
Furniture, office equipment and leasehold improvements	316,463	149,868
Total property, plant and equipment	810,317	633,994
Less: accumulated depreciation	(368,985)	(283,512)
Property, plant and equipment, net	$ 441,332	$ 350,482

Depreciation expense during the three months ended September 30, 2022 and 2021 was $30,537 and $26,343, respectively. Depreciation expense during the nine months ended September 30, 2022 and 2021 was $85,473 and $80,764, respectively.

NOTE 7 – INTANGIBLE ASSETS AND GOODWILL

Identifiable intangible assets as of September 30, 2022 and December 31, 2021 were as follows:

	September 30, 2022	December 31, 2021
NCFM: Medical database	$ 1,101,538	$ 1,101,538
NCFM: Website	41,000	41,000
CHM: ACO physician contracts	1,073,000	1,073,000
MOD: Website	3,538,000	3,538,000
Total intangible assets	5,753,538	5,753,538
Less: accumulated amortization	(1,410,250)	(873,417)
Intangible assets, net	$ 4,343,288	$ 4,880,121

Goodwill as of September 30, 2022 and December 31, 2021 was as follows:

	September 30, 2022	December 31, 2021
CHM	$ 381,856	$ 381,856
MOD	766,249	766,249
AEU	319,958	---
Goodwill	$ 1,468,063	$ 1,148,105

Goodwill and intangible assets arose from the acquisitions of NCFM in April 2019, CHM in May 2020, MOD in October 2020, and AEU in May 2022. The NCFM medical database is assumed to have an indefinite life and is not amortized and the website is being amortized on a straight-line basis over its estimated useful life of five years. The CHM ACO physician contracts are assumed to have an indefinite life and are not amortized. The MOD website is being amortized on a straight-line basis over its estimated useful life of five years.

Goodwill represents the excess of consideration transferred over the fair value of the net identifiable assets acquired related to the acquisitions of CHM, MOD, and AEU.

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NOTE 7 – INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Amortization expense related to intangible assets in the three months ended September 30, 2022 and 2021 was $178,967 and $178,968, respectively. Amortization expense in the nine months ended September 30, 2022 and 2021 was $536,833 and $542,674, respectively. No impairment charges were recognized related to goodwill and intangible assets in the three and nine months ended September 30, 2022 or 2021.

NOTE 8 – LEASES

The Company has separate operating leases for office space related to its NWC, NCFM, BTG and AEU practices, two separate leases relating to its corporate headquarters, and a copier lease that expire in July 2023, May 2025, March 2023, March 2026, November 2023, November 2023 and January 2027, respectively. As of September 30, 2022, the Company's weighted-average remaining lease term relating to its operating leases was 2.1 years, with a weighted-average discount rate of 11.36%.

The table below summarizes the Company's lease-related assets and liabilities as of September 30, 2022 and December 31, 2021:

	September 30, 2022	December 31, 2021
Lease assets	$ 636,267	$ 526,730
Lease liabilities		
Lease liabilities (short term)	$ 378,759	$ 288,966
Lease liabilities (long term)	259,845	239,225
Total lease liabilities	$ 638,604	$ 528,191

Lease expense was $123,069 and $99,544 in the three months ended September 30, 2022 and 2021, respectively, and $31,814 and $241,909 in the nine months ended September 30, 2022 and 2021, respectively.

Maturities of operating lease liabilities were as follows as of September 30, 2022:

2022 (October to December)	$ 119,116
2023	396,833
2024	126,116
2025	74,729
2026	18,148
2027	990
Total lease payments	735,932
Less interest	(97,328)
Present value of lease liabilities	$ 638,604

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Amounts related to accounts payable and accrued expenses as of September 30, 2022 and December 31, 2021 were as follows:

	September 30, 2022	December 31, 2021
Trade accounts payable	$ 649,185	$ 306,220
Accrued payroll liabilities	94,106	172,500
Accrued operating expenses	391,653	265,411
Accrued interest	59,349	46,712
	$ 1,194,293	$ 790,843

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NOTE 10 – CONTRACT LIABILITIES

Amounts related to contract liabilities as of September 30, 2022 and December 31, 2021 were as follows:

	September 30, 2022	December 31, 2021
Patient services paid but not provided	$ 23,015	$ 42,530
Consulting services paid but not provided	25,000	25,000
Unshipped products	17,237	5,308
	$ 65,252	$ 72,838

Contract liabilities relate to contracted consulting services at CHM for which payment has been made but services have not yet been rendered as of the measurement date, physical therapy services purchased as a prepaid bundle for which services have not yet been provided, and MOD products that have been ordered and paid for by the customer, but which have not been shipped as of the measurement date. The Company typically satisfies its performance obligations related to such contracts, for which payment is typically made prior to the goods or services being provided, upon completion of service or shipment of product.

NOTE 11 – AMOUNTS DUE TO RELATED PARTY AND RELATED PARTY TRANSACTIONS

Amounts due to related parties as of September 30, 2022 and December 31, 2021 were comprised of deferred compensation payable to the Company's founder and CEO, Dr. Michael Dent, in the amount of $300,600.

The Company paid consulting fees to Dr. Dent's spouse pursuant to a consulting agreement amounting to $39,038 and $33,462 in the three months ended September 30, 2022 and 2021, respectively, and $100,385 and $111,731 in the nine months ended September 30, 2022 and 2021, respectively.

NOTE 12 – NOTES PAYABLE

Notes payable as of September 30, 2022 and December 31, 2021 were as follows:

	September 30, 2022	December 31, 2021
SBA Disaster relief loans	$ 450,000	$ 450,000
Promissory note payable to SEPA investor	411,405	---
AEU note payable	7,343	---
Face value of notes payable	868,748	450,000
Less: unamortized discount	(20,879)	---
Notes payable, total	847,869	450,000
Less: long term portion	(450,000)	(450,000)
Notes payable, current portion	$ 397,869	$ ---

Government Notes Payable

During May and June 2020, the Company and certain of its subsidiaries received an aggregate of $621,069 in loans under the PPP. The Company also acquired a PPP loan in the MOD acquisition with an inception date of April 3, 2020 and a face value of $11,757. The PPP loans, administered by SBA, were issued under the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. The loans bore interest at 1% per annum and were scheduled to mature in May and June 2022. Principal and interest payments were deferred for the first nine months of the loans. Pursuant to the terms of the PPP, principal amounts may be forgiven if loan proceeds are used for qualifying expenses as described in the CARES Act, including costs such as payroll, benefits, employer payroll taxes, rent and utilities. The entirety of the PPP loans outstanding, comprised of $632,826 principal and $6,503 accrued interest, was forgiven in May 2021. As a result of the forgiveness, the Company recognized a gain on extinguishment of debt in the amount of $632,826 and interest income of $6,503 during the nine months ended September 30, 2021.

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NOTE 12 – NOTES PAYABLE (CONTINUED)

During June, July and August 2020, the Company and its subsidiaries received an aggregate of $450,000 in Disaster Relief Loans from the SBA. The loans bear interest at 3.75% per annum and mature 30 years from issuance. Mandatory principal and interest payments were originally scheduled to begin 12 months from the inception date of each loan and were subsequently extended by the SBA until 30 months from the inception date. Installment payments are now scheduled to begin in December 2022.

Interest accrued on SBA loans as of September 30, 2022 and December 31, 2021 was $37,359 and $24,723, respectively. Interest expense on the loans was $4,252 and $4,226 for the three months ended September 30, 2022 and 2021, respectively, and $12,636 and $12,594 for the nine months ended September 30, 2022 and 2021, respectively.

Promissory and Other Notes Payable

On July 19, 2022, pursuant to a Note Purchase Agreement between the Company and Yorkville, dated July 5, 2022, the Company issued to Yorkville the Promissory Note with an initial stated principal amount equal to $550,000 at a purchase price equal to the principal amount of the Promissory Note less any original issue discounts and fees. The Promissory Note includes a 5% original issue discount, accrues interest at a rate of 0%, and will be repaid in five equal monthly installments beginning on August 19, 2022. Each monthly installment includes a 2% payment premium, totaling $561,000 in total cash repayments. The Company received net proceeds of $522,500. At inception, the Company recorded a discount against the note of $38,500, representing the difference between the total required repayments and the net proceeds received, which is being amortized over the repayment period. Amortization expense related to the discount was $18,480 in each of the three and nine months ended September 30, 2022. During the three and nine months ended September 30, 2022, the Company made payments of $149,595 against the Promissory Note , including $125,618 applied from proceeds of sales of common stock under the SEPA. The unpaid principal balance was $411,405 and the unamortized discount balance was $20,020 as of September 30, 2022.

In connection with the May 13, 2022 acquisition of AEU, the Company acquired (i) a bank note payable with a remaining principal balance of $9,689 that was repaid in full during July 2022, and (ii) a note payable to a third-party lender (the “AEU Note”) with a remaining principal balance of $29,057, an original issue discount of $3,400, and a net carrying value of $25,657. Amortization expense related to the AEU Note discount was $2,540 in each of the three and nine months ended September 30, 2022. During the three and nine months ended September 30, 2022, the Company made payments of $14,340 and $21,713, respectively, against the Promissory Note. The unpaid principal balance was $7,343 and the unamortized discount balance was $859 as of September 30, 2022.

Convertible Notes Payable

The Company had no convertible notes payable as of September 30, 2022 or December 31, 2021.

On January 6, 2021, the holder of four fixed rate convertible promissory notes with a face value of $1,038,500 – comprised of a $550,000 6% fixed convertible secured promissory note dated July 7, 2016 (the “$550k Note”), a $50,000 10% fixed convertible commitment fee promissory note dated July 7, 2016 (the “$50k Note”), $81,000 of principal remaining on a $111,000 10% fixed convertible secured promissory note dated May 22, 2017 (the “$111k Note”), and a $357,500 10% fixed convertible note dated April 15, 2019 (the “$357.5k Note” and together with the $550k Note, the $50k Note and the $111k Note, the “Extended Notes”) – agreed to extend the maturity date on the Extended Notes to January 14, 2021. In exchange for the extension, the Company agreed to extend the expiration date of 3,508,333 existing warrants held by the holder (the “Extended Warrants”) from dates between July 2021 and March 2022 until March 2023. Because the fair value of consideration issued was greater than 10% of the present value of the remaining cash flows under the modified Extended Notes, the transaction was treated as a debt extinguishment and reissuance of new debt instruments pursuant to the guidance of ASC 470-50. A loss on debt extinguishment was recorded in the amount of $126,502 in the nine months ended September 30, 2021, equal to the incremental fair value of the Extended Warrants before and after the modification.

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NOTE 12 – NOTES PAYABLE (CONTINUED)

On January 14, 2021, the Company and the holder of the Extended Notes entered into a series of agreements pursuant to which (i) the holder agreed to convert the full face value of $1,038,500 and $317,096 of accrued interest on the Extended Notes into 13,538,494 shares of common stock pursuant to the original conversion terms of the underlying notes, (ii) the holder agreed to a 180-day leak out provision, whereby, from and after January 14, 2021, it may not sell shares of the Company’s common stock in excess of 5% of the Company’s daily trading volume for the first 90 days and 10% of the Company’s daily volume for the next 90 days, subject to certain exceptions, (iii) the holder agreed to release all security interests and share reserves related to the Extended Notes, and (iv) the Company issued to the holder a new five-year warrant to purchase 13,538,494 shares of common stock at an exercise price of $0.30 per share. In connection with the conversion, the Company recognized a loss on debt extinguishment of $5,463,492 in the nine months ended September 30, 2021, representing the excess of the fair value of the shares and warrant issued at conversion over the carrying value of the host instrument and accrued interest. Following the conversion, the Company had no further convertible notes outstanding.

Prior to conversion, the Extended Notes were carried at fair value and revalued at each period end, with changes to fair value recorded to the statement of operations under “Change in Fair Value of Debt.” The changes in fair value were $-0- in each of the three months ended September 30, 2022 and 2021 and were $-0- and $19,246 during the nine months ended September 30, 2022 and 2021, respectively.

Interest expense on convertible notes outstanding were $-0- and $4,372 during the three and nine months ended September 30, 2021, respectively. There was no interest on convertible notes during the three and nine months ended September 30, 2022.

NOTE 13 – SHAREHOLDERS’ EQUITY

<u>SEPA Advances</u>

On July 5, 2022, the Company entered into the SEPA with Yorkville, pursuant to which the Company shall have the right, but not the obligation, to sell to Yorkville up to 30,000,000 of its shares of common stock, par value $0.0001 per share, at the Company’s request any time during the commitment period commencing on July 5, 2022 and terminating on the earliest of (i) the first day of the month following the 36-month anniversary of the SEPA and (ii) the date on which Yorkville shall have made payment of any advances requested pursuant to the SEPA for shares of the Company’s common stock equal to the commitment amount of 30,000,000 shares of common stock. Each SEPA Advance may be for a number of shares of common stock with an aggregate value of up to greater of: (i) an amount equal to thirty percent (30%) of the aggregate daily volume traded of the Company’s common stock for the three (3) trading days immediately preceding notice from the Company of an Advance, or (ii) 2,000,000 shares of common stock. The shares would be purchased at 96.0% of the average of the daily volume weighted average price of the Company’s common stock as reported by Bloomberg L.P. during regular trading hours during each of the three consecutive trading days commencing on the trading day following the Company’s submission of an Advance notice to Yorkville and would be subject to certain limitations, including that Yorkville could not purchase any shares that would result in it owning more than 4.99% of the Company’s outstanding common stock at the time of an Advance. On July 11, 2022, the Company filed a Form S-1 registration statement registering up to 30,000,000 shares of common stock underlying the SEPA. The registration statement was declared effective on July 19, 2022.

As consideration for Yorkville’s irrevocable commitment to purchase shares of common stock at the Company’s direction upon the terms and subject to the conditions set forth in the SEPA, upon execution of the SEPA, the Company paid Yorkville’s structuring and due diligence fees of $10,000 in cash and issued to Yorkville 895,255 shares of common stock with a fair value of $100,000 as a commitment fee. During the three and nine months ended September 30, 2022, the Company recognized $110,000 in other expense “Financing Cost” in the accompanying consolidated statement of operations.

During the three and nine months ended September 30, 2022, the Company made 11 advances under the SEPA, receiving $297,405 in proceeds for the issuance of 2,708,100 shares of common stock, of which $125,618 was applied to the balance of the Promissory Note.

<u>Private Placements</u>

During the nine months ended September 30, 2022, the Company sold 4,998,485 shares of common stock to six separate investors in private placement transactions. The Company received $535,000 in proceeds from the sales. In connection with the stock sales, the Company also issued 3,249,244 five-year warrants to purchase shares of common stock at exercise prices between $0.12 and $0.25 per share.

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NOTE 13 – SHAREHOLDERS' EQUITY (CONTINUED)

During the nine months ended September 30, 2021, the Company sold 13,161,943 shares of common stock in 53 separate private placement transactions. The Company received $4,328,725 in proceeds from the sales. In connection with these stock sales, the Company also issued 6,581,527 five-year warrants to purchase shares of common stock at exercise prices between $0.27 and $1.05 per share.

Prior Investment Agreement Draws

During the nine months ended September 30, 2021, the Company issued 3,006,098 common shares pursuant to draws made by the Company under the now-expired July 2016 $3 million investment agreement and received an aggregate of $900,636 in net proceeds from the draws.

Shares issued to Consultants

During the nine months ended September 30, 2022 and 2021, the Company issued 305,524 and 677,242 common shares, respectively, to consultants for services rendered. In connection with the issuances, the Company recognized expenses totaling $37,696 and $151,322 in the nine months ended September 30, 2022 and 2021, respectively.

Common Stock Issuable

As of September 30, 2022 and December 31, 2021, the Company was obligated to issue the following shares:

	September 30, 2022		December 31, 2021	
	Amount	Shares	Amount	Shares
Shares issuable to consultants, employees and directors	$ 345,345	1,329,469	$ 282,347	719,366

Stock Warrants

Transactions involving our stock warrants during the nine months ended September 30, 2022 and 2021 are summarized as follows:

	2022		2021	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding at beginning of the period	59,796,992	$ 0.25	51,352,986	$ 0.17
Granted during the period	3,249,244	$ 0.17	22,421,026	$ 0.39
Exercised during the period	---	$ ---	(13,637,020)	$ (0.18)
Expired during the period	(786,667)	$ (0.44)	---	$ ---
Outstanding at end of the period	62,259,569	$ 0.24	60,136,992	$ 0.25
Exercisable at end of the period	62,259,569	$ 0.24	60,136,992	$ 0.25
Weighted average remaining life	2.6 years		3.4 years	

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NOTE 13 – SHAREHOLDERS' EQUITY (CONTINUED)

The following table summarizes information about the Company's stock warrants outstanding as of September 30, 2022:

Warrants Outstanding				Warrants Exercisable	
Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$ 0.0001 to 0.09	14,789,573	2.3	$ 0.07	14,789,573	$ 0.07
$ 0.10 to 0.24	12,690,290	2.7	$ 0.17	12,690,290	$ 0.17
$ 0.25 to 0.49	31,319,782	2.6	$ 0.31	31,319,782	$ 0.31
$ 0.50 to 1.05	3,459,924	3.8	$ 0.69	3,459,924	$ 0.69
$ 0.05 to 1.00	62,259,569	2.6	$ 0.24	62,259,569	$ 0.24

During the nine months ended September 30, 2022 and 2021, the Company issued 3,249,244 and 22,421,026 warrants, respectively, the aggregate grant date fair value of which was $151,909 and $5,823,476, respectively. The fair value of the warrants was calculated using the following range of assumptions:

	2022	2021
Pricing model utilized	Binomial Lattice	Binomial Lattice
Risk free rate range	2.94%	0.38% to 0.97%
Expected life range (in years)	5.00 years	3.00 to 5.00 years
Volatility range	74.50%	170.58% to 193.21%
Dividend yield	0.00%	0.00%

There were no warrants exercised during the nine months ended September 30, 2022. During the nine months ended September 30, 2021, the Company received $333,750 upon the exercise of 3,065,278 warrants with exercise prices between $0.09 and $0.15. Additionally, the Company issued 9,047,332 shares upon cashless exercise of 10,571,742 warrant shares exercised using a cashless exercise feature in settlement of litigation and other disputes amounts totaling $614,221 that had been accrued in 2020.

<u>Employee Equity Incentive Plans</u>

On January 1, 2016, the Company adopted the 2016 Employee Equity Incentive Plan (the "2016 EIP") for the purpose of having equity awards available to allow for equity participation by its employees. The 2016 EIP allowed for the issuance of up to 15,503,680 shares of the Company's common stock to employees, which may be issued in the form of stock options, stock appreciation rights, or common shares. The 2016 EIP is governed by the Company's board, or a committee that may be appointed by the board in the future. The 2016 EIP expired during 2021 but allows for the prospective issuance of shares of common stock subject to vesting of awards made prior to expiration of the 2016 EIP.

On September 9, 2021, the Company adopted the 2021 Employee Equity Incentive Plan (the "2021 EIP" and, together with the 2016 EIP, the "EIPs") for the purpose of having equity awards available to allow for equity participation by its employees. The 2021 EIP allows for the issuance of up to 20,000,000 shares of the Company's common stock to employees, which may be issued in the form of stock options, stock appreciation rights, or common shares. The 2021 EIP is governed by the Company's board, or a committee that may be appointed by the board in the future.

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NOTE 13 – SHAREHOLDERS' EQUITY (CONTINUED)

Amounts recognized in the financial statements with respect to the EIPs in the nine months ended September 30, 2022 and 2021 were as follows:

	2022	2021
Total cost of share-based payment plans during the period	$ 335,860	$ 574,998
Amounts capitalized in deferred equity compensation during period	$ ---	$ ---
Amounts charged against income for amounts previously capitalized	$ (9,375)	$ ---
Amounts charged against income, before income tax benefit	$ 326,485	$ 574,998
Amount of related income tax benefit recognized in income	$ ---	$ ---

Stock Options

Stock options granted under the EIPs typically vest over a period of three to four years or based on achievement of Company and individual performance goals. The following table summarizes stock option activity as of and for the nine months ended September 30, 2022 and 2021:

	2022		2021	
Stock options	**Number**	**Weighted Average Exercise Price**	**Number**	**Weighted Average Exercise Price**
Outstanding at beginning of period	3,456,250	$ 0.23	3,111,750	$ 0.20
Granted during the period	975,000	$ 0.16	80,000	$ 0.75
Exercised during the period	(12,500)	$ (0.26)	(145,500)	$ (0.11)
Forfeited during the period	(419,500)	$ (0.31)	(32,500)	$ (0.16)
Outstanding at end of period	3,999,250	$ 0.20	3,013,750	$ 0.22
Options exercisable at period-end	2,655,500	$ 0.20	2,173,750	$ 0.19

As of September 30, 2022, there was $150,101 of total unrecognized compensation cost related to options granted under the EIPs. That cost is expected to be recognized over a weighted-average period of 2.2 years.

The total fair value of options vested during the nine months ended September 30, 2022 and 2021 was $42,966 and $64,321, respectively. The aggregate intrinsic value of share options exercised during the nine months ended September 30, 2022 and 2021 was $388 and $98,335, respectively. The weighted-average grant-date fair value of option grants made during the nine months ended September 30, 2022 and 2021 was $0.09 per share and $0.62 per share, respectively. During the nine months ended September 30, 2022, the Company issued 1,394 shares upon cashless exercise of 12,500 option shares exercised using a cashless exercise feature. During the nine months ended September 30, 2021, the Company received $16,450 upon the exercise of 145,500 options with exercise prices between $0.10 and $0.252.

The fair value of each stock option award is estimated on the date of grant using a binomial lattice option-pricing model based on the assumptions noted in the following table. The Company's accounting policy is to estimate forfeitures in determining the amount of total compensation cost to record each period. The fair value of options granted for the nine months ended September 30, 2022 and 2021 was calculated using the following range of assumptions:

	2022	2021
Pricing model utilized	Binomial Lattice	Binomial Lattice
Risk free rate range	2.81% to 2.90%	1.47% to 2.90%
Expected life range (in years)	10.00 years	10.00 years
Volatility range	74.38% to 74.50%	74.38% to 192.25%
Dividend yield	0.00%	0.00%

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NOTE 13 – SHAREHOLDERS' EQUITY (CONTINUED)

The following table summarizes the status and activity of nonvested options issued pursuant to the EIPs as of and for the nine months ended September 30, 2022 and 2021:

	2022		2021	
Stock options	**Shares**	**Weighted Average Grant Date Fair Value**	**Shares**	**Weighted Average Grant Date Fair Value**
Nonvested options at beginning of period	858,750	$ 0.23	1,044,375	$ 0.21
Granted	975,000	$ 0.09	80,000	$ 0.62
Vested	(195,750)	$ (0.22)	(255,000)	$ (0.25)
Forfeited	(294,250)	$ (0.26)	(29,375)	$ (0.12)
Nonvested options at end of period	1,343,750	$ 0.12	840,000	$ 0.24

Stock Grants

Stock grant awards made under the EIPs typically vest either immediately or over a period of up to four years. The following table summarizes stock grant activity as of and for the nine months ended September 30, 2022 and 2021:

	2022		2021	
Stock Grants	**Shares**	**Weighted Average Grant Date Fair Value**	**Shares**	**Weighted Average Grant Date Fair Value**
Nonvested grants at beginning of period	302,050	$ 0.27	200,000	$ 0.17
Granted	377,454	$ 0.17	1,015,047	$ 0.27
Vested	(354,782)	$ (0.23)	(1,075,047)	$ (0.26)
Forfeited	(104,954)	$ (0.19)	(50,000)	$ (0.10)
Nonvested grants at end of period	219,768	$ 0.20	90,000	$ 0.19

As of September 30, 2022, there was $22,538 of total unrecognized compensation cost related to stock grants made under the EIPs. That cost is expected to be recognized over a weighted-average period of 1.1 years. The weighted-average grant-date fair value of share grants made during the nine months ended September 30, 2022 and 2021 was $0.12 per share and $0.27 per share, respectively. The aggregate fair value of share grants that vested during the nine months ended September 30, 2022 and 2021 was $44.820 and $270,918, respectively.

The fair value of each stock grant is calculated using the closing sale price of the Company's common stock on the date of grant using. The Company's accounting policy is to estimate forfeitures in determining the amount of total compensation cost to record each period.

Liability-Classified Equity Instruments

During 2021, the Company made certain compensation stock grants from the 2021 EIP that vest over a four-year period and that are settleable for a fixed dollar amount rather than a fixed number of shares. The original grant date fair value of the equity compensation was $165,000. The Company recognized an asset captioned "Deferred equity compensation" and an offsetting liability captioned as a "Liability-classified equity instrument." During the nine months ended September 30, 2022, the Company (i) replaced certain variable share contracts with a new fixed share compensation structure and accordingly de-recognized $25,000 of deferred stock compensation and liability-classified equity instruments, and (ii) de-recognized $106,141 of deferred stock compensation and $135,000 of liability-classified equity instruments as a result of the termination of the employee and related future equity rights to which the equity asset and liability related.

During 2022, the Company made an additional grant of stock options from the 2021 EIP with a fixed fair value that may be earned based on achievement of performance targets on a quarterly basis through June 2025. The fixed value of $90,000 was recognized as deferred stock compensation and liability-classified equity instruments. The Company also de-recognized $7,500 of deferred stock compensation and liability-classified equity instruments related to this grant based on the target not being achieved for the third quarter of 2022.

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NOTE 13 – SHAREHOLDERS' EQUITY (CONTINUED)

Amortization of deferred stock compensation assets in the three and nine months ended September 30, 2022 was $1,359 and $14,484, respectively. There was no amortization related to deferred stock compensation assets in the three or nine months ended September 30, 2021. The liability will be converted to equity if and when shares are earned and issued pursuant to prescribed vesting events.

NOTE 14 – CONTINGENT ACQUISITION CONSIDERATION

Contingent acquisition consideration relates to future earn-out payments potentially payable related to the Company's acquisitions of Hughes Center for Functional Medicine ("HCFM") in 2019 and CHM and MOD in 2020. The terms of the earn-outs related to each acquisition require the Company to pay the former owners additional acquisition consideration for the achievement of prescribed revenue and/or earnings targets for performance of the underlying business for up to four years after the respective acquisition date. Contingent acquisition consideration for each entity is recorded at fair value using a probability-weighted discounted cash flow projection. The fair value of the contingent acquisition consideration is remeasured at the end of each reporting period and changes are included in the statement of operations under the caption "Change in fair value of contingent acquisition consideration."

Contingent acquisition consideration as of September 30, 2022 and December 31, 2021 was comprised of the following:

	September 30, 2022	December 31, 2021
Fair value of HCFM contingent acquisition consideration	$ ---	$ 172,124
Fair value of CHM contingent acquisition consideration	218,236	276,529
Fair value of MOD contingent acquisition consideration	94,497	737,037
Total contingent acquisition consideration	312,733	1,185,690
Less: long term portion	(184,659)	(782,224)
Contingent acquisition consideration, current portion	$ 128,074	$ 403,466

During the three and nine months ended September 30, 2022 and 2021, the Company recognized gains (losses) on the change in the fair value of contingent acquisition consideration as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
HCFM contingent acquisition consideration	$ ---	$ (14,316)	$ (35,259)	$ (63,769)
CHM contingent acquisition consideration	62,516	(116,150)	58,292	(54,848)
MOD contingent acquisition consideration	70,967	256,877	642,540	(116,061)
	$ 133,483	$ 126,411	$ 665,573	$ (234,678)

Maturities of contingent acquisition consideration were as follows as of September 30, 2022:

2022 (October to December)	$ 92,546
2023	85,169
2024	135,018
	$ 312,733

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NOTE 14 – CONTINGENT ACQUISITION CONSIDERATION (CONTINUED)

Hughes Center for Functional Medicine Acquisition – April 2019

On April 12, 2019, the Company acquired a 100% interest in HCFM, a medical practice engaged in improving the health of its patients through individualized and integrative health care. Following the acquisition, HCFM was rebranded as NCFM and was combined with NWC to form the Company's Health Services segment. Under the terms of acquisition, the Company paid the seller $500,000 in cash, issued 3,968,254 shares of the Company's common stock and agreed to an earn-out provision of $500,000 that may be earned based on the performance of NCFM in the years ended on the first, second and third anniversary dates of the acquisition closing. The total consideration fair value represented a transaction fair value of $1,764,672. In May 2020, the Company paid the seller $47,000 in satisfaction of the year 1 earn out. In May 2021, the Company paid the seller $196,000 in satisfaction of the year 2 earn out. In May 2022, the Company paid the seller $207,384 in satisfaction of the year 3 earn out. The Company has no further earn out obligations related to the NCFM acquisition.

Cura Health Management LLC Acquisition – May 2020

On May 18, 2020, the Company acquired a 100% interest in CHM and its wholly owned subsidiary AHP. CHM and AHP assist physician practices in providing coordinated and more efficient care to patients via the MSSP. The Company accounted for the transaction as an acquisition of a business pursuant to ASC 805. Following the acquisition and through third quarter 2022, the business of CHM comprised the Company's ACO/MSO Division. Under the terms of acquisition, the Company paid CHM shareholders the following consideration: (i) $214,000 in cash paid at closing, (ii) 2,240,838 shares of the Company's common stock issued at closing, (iii) up to $223,500 additional cash and $660,000 in additional shares of the Company's common stock payable at the time CHM receives the final assessment of the calculation of MSSP savings for the 2019 program year, with this amount prorated based on a target MSSP payment (plus other ancillary revenue) of $1,725,000, and (iv) up to $437,500 based on the business achieving annual revenue of $2,250,000 and annual profit of $500,000 in each of the four years following closing.

The terms of the earn out required the Company to pay the former owners of CHM (i) up to $223,500 additional cash and to $660,000 of additional shares of Company common stock when CHM receives the final assessment of the calculation of 2019 plan year MSSP revenue (the "Current Earnout"), and (ii) up to $62,500, $125,000, $125,000 and $125,000 on the first, second, third and fourth anniversary, respectively, based on achievement by the underlying business of revenue of at least $2,250,000 (50% weighting) and profit of at least $500,000 (50% weighting) in the year preceding each anniversary date (the "Future Earnout"). During September 2020, pursuant to a Second Amendment to the Agreement and Plan of Merger (the "Second Amendment") and in satisfaction of the Current Earnout, the Company paid $90,389 cash, issued 1,835,625 shares of the Company's common stock and agreed that the balance of the Current Earnout that was not earned in 2020, being $124,043 cash and $366,300 in shares of Company common stock, would be deferred until the first future earnout year in which MSSP revenue exceeds $1.725 million and revenue from other services exceeds $605,000 (the "Residual Earnout").

During September 2021, the Company was notified of the amount of Medicare shared savings and received payment for plan year 2020 in the amount of $2,419,312. Because the shared saving payment exceeded $1.725 million, the sellers were paid $124,043 cash and issued 806,828 shares of Company common stock with a value of $366,300 pursuant to the Residual Earnout. Following the payments, the Company had no further obligations under the Residual Earnout. The Company also determined that the sellers did not earn any of the $62,500 year-one Future Earnout related to the performance period May 19, 2020 to May 18, 2021.

MedOffice Direct LLC Acquisition – October 2020

On October 19, 2020, the Company acquired a 100% interest in MOD, a virtual distributor of discounted medical supplies selling to both consumers and medical practices throughout the United States. With over 13,000 name brand medical products in over 150 different categories, MOD leverages pricing discounts with a small unit-of-measure direct-to-consumer shipping model to make ordering medical supplies more convenient and cost effective for its users. The Company accounted for the transaction as an acquisition of a business pursuant to ASC 805. Following the acquisition, the business of MOD comprised the Company's Medical Distribution Division. Under the terms of acquisition, the Company paid the following consideration: (i) 19,045,563 shares of Company common stock issued at closing, (ii) partial satisfaction of certain outstanding debt obligations of MOD in the amount of $703,200 in cash paid by the Company, and (iii) up to 10,004,749 restricted shares of the Company's common stock over a four-year period based on MOD achieving revenue targets in calendar years 2021 through 2024 of $1,500,000, $1,875,000, $2,344,000, and $2,930,000, respectively. The first year of earnout measured based on performance in calendar year 2021 was not met.

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NOTE 15 – COMMITMENTS AND CONTINGENCIES

Contracts Related to Medicare Shared Savings Revenue

The Company acquired CHM and its subsidiary AHP on May 18, 2020. CHM and AHP combine to operate an ACO under the terms of the MSSP as administered by the CMS. The MSSP is a program created under the Affordable Care Act (the "ACA," also known as "Obamacare") designed to enhance the efficiency of healthcare provided to patients covered by Medicare. The program allows for the creation of ACOs, which are organizations that agree to take responsibility for the efficiency of healthcare services provided by a group of participating healthcare providers under Medicare. The ACO is held accountable for the efficiency of the healthcare services of its participating providers as measured against benchmarks prescribed in the MSSP and earns shared savings payments if such benchmarks are met.

The Company, via AHP, is party to a Medicare Shared Savings Program Accountable Care Organization Participation Agreement with the CMS that establishes AHP as an ACO. The agreement is effective through December 31, 2024. The Company must comply with the terms and conditions of the agreement in order to maintain its status as an ACO and generate shared savings revenue.

The Company, via CHM, is party to approximately 33 separate participant agreements with participating providers that are members of the Company's ACO with expiration dates through 2024. These agreements include certain restrictions and requirements to which the participating providers must adhere in order to maintain participation in the ACO.

Supplier Concentration

The Company relies on a single supplier for the fulfillment of approximately 96% of its product sales made through MOD.

Service contracts

The Company carries various service contracts on its office buildings & certain copier equipment for repairs, maintenance and inspections. All contracts are short term and can be cancelled.

Litigation

None.

Leases

Maturities of operating lease liabilities were as follows as of September 30, 2022:

2022 (October to December)	$ 119,116
2023	396,833
2024	126,116
2025	74,729
2026	18,148
2027	990
Total lease payments	735,932
Less interest	(97,328)
Present value of lease liabilities	$ 638,604

Employment/Consulting Agreements

The Company has employment agreements with certain of its physicians, nurse practitioners and physical therapists in the Health Services division. The agreements generally call for a fixed salary at the beginning of the contract with a transaction to performance-based pay later in the contract.

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NOTE 15 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

On October 13, 2022, the Company entered into an offer letter (the "Agreement") with George O'Leary in his continuing capacity as Chief Financial Officer of the Company. The Agreement was effective as of July 1, 2022 and provides that Mr. O'Leary's base salary will be $259,000 per year, with annual review and adjustment at the discretion of the Chief Executive Officer and Compensation Committee of the Board of Directors of the Company, and an annual incentive bonus of 25% of annual salary based on the achievement of the Company of certain financial metrics as approved by the Compensation Committee. In addition, Mr. O'Leary will be eligible for a cash bonus of $50,000 upon the uplisting of the Company and completion of a financing round at the time of uplisting. The Agreement also provides that Mr. O'Leary will receive a grant of 100,000 shares of restricted stock upon execution of the Agreement and additional grants of 100,000 restricted shares on each of July 1, 2023, 2024 and 2025. Mr. O'Leary was also granted 1,200,000 stock options with an exercise price of $0.06, a portion of which are subject to time vesting and a portion of which are subject to vesting upon the achievement of certain of the Company's corporate objectives and Mr. O'Leary's individual objectives. If Mr. O'Leary is terminated without cause the Company will provide Mr. O'Leary as severance an amount equal to six (6) months of his base salary. Concurrently, the Company and Mr. O'Leary entered into a Non-Disclosure, Non-Solicitation and Non-Compete Agreement, effective as of September 20, 2022 that contains a non-solicitation and non-compete provision which will be in effect for a two-year period following the termination of Mr. O'Leary's employment relationship with the Company; provided, however, such period is shortened to six (6) months if Mr. O'Leary is terminated without cause.

On July 1, 2016, the Company entered into an employment agreement with Dr. Michael Dent, Chief Executive Officer and a member of the Board of Directors. Dr. Dent's employment agreement continues until terminated by Dr. Dent or the Company. If Dr. Dent's employment is terminated by the Company (unless such termination is "For Cause" as defined in his employment agreement), then upon signing a general waiver and release, Dr. Dent will be entitled to severance in an amount equal to 12 months of his then-current annual base salary, as well as the pro-rata portion of any bonus that would be due and payable to him. In the event that Dr. Dent terminates the employment agreement, he shall be entitled to any accrued but unpaid salary and other benefits up to and including the date of termination, and the pro-rata portion of any unvested time-based options up until the date of termination.

On May 18, 2020, the Company entered into separate 4-year consulting services agreements with each of the two principals of the ACO/MSO business acquired in May 2020 that call for each person to earn fixed annual consulting fees and a share of Medicare shared savings revenue, consulting revenue and overall profits generated by the underlying business.

Litigation

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise, in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm the Company's business. The Company is not aware of any such legal proceedings that will have, individually or in the aggregate, a material adverse effect on its business, financial condition or operating results.

NOTE 16 – SEGMENT REPORTING

The Company has four reportable segments: Health Services, Digital Healthcare, ACO/MSO and Medical Distribution. The Health Services division is comprised of the operations of (i) NWC, a multi-specialty medical group including OB/GYN (both Obstetrics and Gynecology), and General Practice, (ii) NCFM, a Functional Medical Practice acquired in April 2019 that is engaged in improving the health of its patients through individualized and integrative health care, and (iii) BTG, a physical therapy practice in Bonita Springs, FL that provides hands-on functional manual therapy techniques to speed patients' recovery and manage pain without pain medication or surgery. The Digital Healthcare segment develops and plans to operate an online personal medical information and record archive system, the "HealthLynked Network," which will enable patients and doctors to keep track of medical information via the Internet in a cloud-based system. The ACO/MSO Division is comprised of the business acquired with CHM, which assists physician practices in providing coordinated and more efficient care to patients via the MSSP as administered by the CMS, which rewards providers for efficiency in patient care. The Medical Distribution Division is comprised of the operations of MOD, a virtual distributor of discounted medical supplies selling to both consumers and medical practices throughout the United States.

The Company evaluates performance and allocates resources based on profit or loss from operations before income taxes. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

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NOTE 16 – SEGMENT REPORTING (CONTINUED)

Segment information for the three months ended September 30, 2022 was as follows:

	Three Months Ended September 30, 2022				
	Health Services	Digital Healthcare	ACO / MSO	Medical Distribution	Total
Revenue					
Patient service revenue, net	$ 1,262,253	$ ---	$ ---	$ ---	$ 1,262,253
Subscription, consulting and event revenue	---	1,171	88,806	---	89,977
Product revenue	---	---	---	95,449	95,449
Total revenue	1,262,253	1,171	88,806	95,449	1,447,679
Operating Expenses					
Practice salaries and benefits	810,058	---	---	---	810,058
Other practice operating expenses	695,300	---	---	---	695,300
Medicare shared savings expenses	---	---	337,533	---	337,533
Cost of product revenue	---	---	---	87,775	87,775
Selling, general and administrative expenses	---	1,055,178	---	32,955	1,088,133
Depreciation and amortization	31,198	1,406	---	176,900	209,504
Total Operating Expenses	1,536,556	1,056,584	337,533	297,630	3,228,303
(Loss) income from operations	$ (274,303)	$ (1,055,413)	$ (248,727)	$ (202,181)	$ (1,780,624)
Other Segment Information					
Interest expense (income)	$ 2,815	$ 2,825	$ ---	$ ---	$ 5,640
Financing cost	$ 110,000	$ ---	$ ---	$ ---	$ 110,000
Amortization of original issue discounts on notes payable	$ 18,480	$ 2,540	$ ---	$ ---	$ 21,020
Change in fair value of contingent acquisition consideration	$ ---	$ (133,483)	$ ---	$ ---	$ (133,483)

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NOTE 16 – SEGMENT REPORTING (CONTINUED)

Segment information for the nine months ended September 30, 2022 was as follows:

	Nine Months Ended September 30, 2022				
	Health Services	Digital Healthcare	ACO / MSO	Medical Distribution	Total
Revenue					
Patient service revenue, net	$ 4,069,714	$ ---	$ ---	$ ---	$ 4,069,714
Subscription, consulting and event revenue	---	9,433	251,058	---	260,491
Product revenue	---	---	---	372,877	372,877
Total revenue	4,069,714	9,433	251,058	372,877	4,703,082
Operating Expenses					
Practice salaries and benefits	2,344,529	---	---	---	2,344,529
Other practice operating expenses	1,897,070	---	---	---	1,897,070
Medicare shared savings expenses	---	---	802,411	---	802,411
Cost of product revenue	---	---	---	419,129	419,129
Selling, general and administrative expenses	---	3,529,289	---	149,495	3,678,784
Depreciation and amortization	87,134	4,472	---	530,700	622,306
Total Operating Expenses	4,328,733	3,533,761	802,411	1,099,324	9,764,229
Income (loss) from operations	$ (259,019)	$ (3,524,328)	$ (551,353)	$ (726,447)	$ (5,061,147)
Other Segment Information					
Interest expense (income)	$ 8,420	$ 6,731	$ ---	$ ---	$ 15,151
Financing cost	$ 110,000	$ ---	$ ---	$ ---	$ 110,000
Amortization of original issue discounts on notes payable	$ 18,480	$ 2,540	$ ---	$ ---	$ 21,020
Change in fair value of contingent acquisition consideration	$ ---	$ (665,573)	$ ---	$ ---	$ (665,573)
	September 30, 2022				
Identifiable assets	$ 2,182,272	$ 507,030	$ 1,132,696	$ 2,188,509	$ 6,010,507
Goodwill	$ 319,958	$ ---	$ 381,856	$ 766,249	$ 1,468,063
	December 31, 2021				
Identifiable assets	$ 2,152,533	$ 3,450,332	$ 1,167,965	$ 2,775,621	$ 9,546,451
Goodwill	$ ---	$ ---	$ 381,856	$ 766,249	$ 1,148,105

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NOTE 16 – SEGMENT REPORTING (CONTINUED)

Segment information for the three months ended September 30, 2021 was as follows:

	Three Months Ended September 30, 2021				
	Health Services	Digital Healthcare	ACO / MSO	Medical Distribution	Total
Revenue					
Patient service revenue, net	$ 1,394,356	$ ---	$ ---	$ ---	$ 1,394,356
Medicare shared savings revenue	---	---	2,419,312	---	2,419,312
Subscription, consulting and event revenue	---	---	69,595	---	69,595
Product revenue	---	---	---	161,456	161,456
Total revenue	1,394,356	---	2,488,907	161,456	4,044,719
Operating Expenses					
Practice salaries and benefits	739,024	---	---	---	739,024
Other practice operating expenses	549,086	---	---	---	549,086
Medicare shared savings expenses	---	---	1,748,585	---	1,748,585
Cost of product revenue	---	---	---	145,432	145,432
Selling, general and administrative expenses	---	1,093,461	---	54,130	1,147,591
Depreciation and amortization	26,196	2,215	---	176,900	205,311
Total Operating Expenses	1,314,306	1,095,676	1,748,585	376,462	4,535,029
Loss from operations	$ 80,050	$ (1,095,676)	$ 740,322	$ (215,006)	$ (490,310)
Other Segment Information					
Interest expense (income)	$ 2,706	$ 1,412	$ ---	$ ---	$ 4,118
Change in fair value of contingent acquisition consideration	$ ---	$ (126,411)	$ ---	$ ---	(126,411)

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NOTE 16 – SEGMENT REPORTING (CONTINUED)

Segment information for the nine months ended September 30, 2021 was as follows:

	Nine Months Ended September 30, 2021				
	Health Services	Digital Healthcare	ACO / MSO	Medical Distribution	Total
Revenue					
Patient service revenue, net	$ 4,379,282	$ ---	$ ---	$ ---	$ 4,379,282
Medicare shared savings revenue	---	---	2,419,312	---	2,419,312
Subscription, consulting and event revenue	---	11,905	217,209	---	229,114
Product revenue	---	---	---	512,325	512,325
Total revenue	4,379,282	11,905	2,636,521	512,325	7,540,033
Operating Expenses					
Practice salaries and benefits	2,305,993	---	---	---	2,305,993
Other practice operating expenses	1,790,874	---	---	---	1,790,874
Medicare shared savings expenses	---	---	2,157,555	---	2,157,555
Cost of product revenue	---	---	---	474,026	474,026
Selling, general and administrative expenses	---	3,472,493	---	188,713	3,661,206
Depreciation and amortization	83,493	3,405	---	536,540	623,438
Total Operating Expenses	4,180,360	3,475,898	2,157,555	1,199,279	11,013,092
Income (loss) from operations	$ 198,922	$ (3,463,993)	$ 478,966	$ (686,954)	$ (3,473,059)
Other Segment Information					
Interest expense (income)	$ 5,145	$ 8,038	$ ---	$ (100)	$ 13,083
(Gain) loss on extinguishment of debt	$ (502,959)	$ 5,471,884	$ ---	$ (11,757)	$ 4,957,168
Change in fair value of debt	$ ---	$ 19,246	$ ---	$ ---	$ 19,246
Change in fair value of contingent acquisition consideration	$ ---	$ 234,678	$ ---	$ ---	$ 234,678
	September 30, 2021				
Identifiable assets	$ 2,104,819	$ 3,967,850	$ 2,850,949	$ 2,890,389	$ 11,814,007
Goodwill	$ ---	$ ---	$ 381,856	$ 766,249	$ 1,148,105

The Digital Healthcare made intercompany sales of $180 and $400 in the three months ended September 30, 2022 and 2021, respectively, and $640 and $743 in the nine months ended September 30, 2022 and 2021, respectively, related to subscription revenue billed to and paid for by the Company's physicians for access to the HealthLynked Network. The Medical Distribution segment made intercompany sales of $3,144 and $-0- in the three months ended September 30, 2022 and 2021, respectively, and $25,214 and $-0- in the nine months ended September 30, 2022 and 2021, respectively, related to medical products sold to practices in the Company's Health Services segment. Intercompany revenue and the related costs are eliminated on consolidation.

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts receivable and accounts payable, approximate their respective fair values due to the short-term nature of such instruments. The Company measures certain financial instruments at fair value on a recurring basis, including certain convertible notes payable and related party loans, which were extinguished and reissued and are therefore subject to fair value measurement, derivative financial instruments arising from conversion features embedded in convertible promissory notes for which the conversion rate was not fixed, and equity-class. All financial instruments carried at fair value fall within Level 3 of the fair value hierarchy as their value is based on unobservable inputs. The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. This determination requires significant judgments to be made.

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NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table summarizes the conclusions reached regarding fair value measurements as of September 30, 2022 and December 31, 2021:

	As of September 30, 2022				As of December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liability-classified equity instruments	$ ---	$ ---	$ 83,125	$ 83,125	$ ---	$ ---	$ 162,500	$ 162,500
Contingent acquisition consideration	---	---	312,733	312,733	---	---	1,185,690	1,185,690
Total	$ ---	$ ---	$ 395,858	$ 395,858	$ ---	$ ---	$ 1,348,190	$ 1,348,190

The changes in Level 3 financial instruments that are measured at fair value on a recurring basis during the three and nine months ended September 30, 2022 and 2021 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Convertible notes payable	$ ---	$ ---	$ ---	$ (19,246)
Contingent acquisition consideration	133,483	126,411	665,573	(234,678)
Total	$ 133,483	$ 126,411	$ 665,573	$ (253,924)

NOTE 18 – SUBSEQUENT EVENTS

On October 13, 2022, the Company entered into the Agreement with George O'Leary in his continuing capacity as Chief Financial Officer of the Company. The Agreement was effective as of July 1, 2022 and provides that Mr. O'Leary's base salary will be $259,000 per year, with annual review and adjustment at the discretion of the Chief Executive Officer and Compensation Committee of the Board of Directors of the Company, and an annual incentive bonus of 25% of annual salary based on the achievement of the Company of certain financial metrics as approved by the Compensation Committee. In addition, Mr. O'Leary will be eligible for a cash bonus of $50,000 upon the uplisting of the Company and completion of a financing round at the time of uplisting. The Agreement also provides that Mr. O'Leary will receive a grant of 100,000 shares of restricted stock upon execution of the Agreement and additional grants of 100,000 restricted shares on each of July 1, 2023, 2024 and 2025. Mr. O'Leary was also granted 1,200,000 stock options with an exercise price of $0.06, a portion of which are subject to time vesting and a portion of which are subject to vesting upon the achievement of certain of the Company's corporate objectives and Mr. O'Leary's individual objectives. If Mr. O'Leary is terminated without cause the Company will provide Mr. O'Leary as severance an amount equal to six (6) months of his base salary. Concurrently, the Company and Mr. O'Leary entered into a Non-Disclosure, Non-Solicitation and Non-Compete Agreement, effective as of September 20, 2022 that contains a non-solicitation and non-compete provision which will be in effect for a two-year period following the termination of Mr. O'Leary's employment relationship with the Company; provided, however, such period is shortened to six (6) months if Mr. O'Leary is terminated without cause.

During October 2022, the Company initiated a plan to sell the ACO/MSO Division, comprised of the operations of CHM and its subsidiary AHP, which were acquired by the Company on May 18, 2020. CHM and AHP operate an ACO that assists physician practices in providing coordinated and more efficient care to patients via the MSSP, as administered by the CMS, which rewards providers for efficiency in patient care. The Company expects to use the cash proceeds generated from a sale to supplement its operating cash requirements and pursue additional acquisitions. The Company expects to complete a sale by the first quarter of 2023.

On October 21, 2022, the Company issued a promissory note payable to an investor in the principal amount of $144,760 (the "October 2022 Note"). The October 2022 Note had an original issue discount of $15,510 and fees of $4,250, resulting in net proceeds to the Company of $125,000. The October 2022 Note does not bear interest in excess of the original issue discount and matures on October 31, 2023. The Company is required to make 10 monthly payments of $16,213 starting November 30, 2022.

On November 8, 2022, the Company entered into a Merchant Cash Advance ("MCA") agreement with a trust controlled by the Company's Chief Executive Officer, Dr. Michael Dent, pursuant to which the Company received an advance of $150,000. The Company is required to repay the MCA, which acts like a note payable, at the rate of $3,750 per week for 52 weeks. The MCA is guaranteed by the Company's NCFM subsidiary.

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

Forward-Looking Statements

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes appearing elsewhere in this report. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Item 1A. Risk Factors" included in our most recent Annual Report on Form 10-K. All amounts in this report are in U.S. dollars, unless otherwise noted.

Overview

General

HealthLynked Corp. (the "Company," "we," "our," or "us") was incorporated in the State of Nevada on August 4, 2014. We currently operate in three distinct divisions: the Health Services Division, the Digital Healthcare Division, and the Medical Distribution Division. Our Health Services division is comprised of the operations of (i) Naples Women's Center ("NWC"), a multi-specialty medical group including OB/GYN (both Obstetrics and Gynecology) and General Practice, (ii) Naples Center for Functional Medicine ("NCFM"), a Functional Medical Practice engaged in improving the health of its patients through individualized and integrative health care, (iii) Bridging the Gap Physical Therapy ("BTG"), a physical therapy practice in Bonita Springs, FL that provides hands-on functional manual therapy techniques to speed patients' recovery and manage pain without pain medication or surgery, and (iv) Aesthetic Enhancements Unlimited ("AEU"), a patient service facility specializing in minimally and non-invasive cosmetic services acquired by the Company in May 2022. Our Digital Healthcare division develops and operates an online personal medical information and record archive system, the "HealthLynked Network," which enables patients and doctors to keep track of medical information via the Internet in a cloud-based system. Our Medical Distribution Division is comprised of the operations of MedOffice Direct LLC ("MOD"), a virtual distributor of discounted medical supplies selling to both consumers and medical practices throughout the United States we acquired on October 19, 2020.

Recent Development – ACO/MSO Division

On October 21, 2022, our Board of Directors approved a plan to sell our ACO/MSO (Accountable Care Organization / Managed Service Organization) Division, comprised of the operations of Cura Health Management ("CHM") and its subsidiary ACO Health Partners LLC ("AHP"), which were acquired by the Company on May 18, 2020. CHM and AHP operate an Accountable Care Organization ("ACO") and Managed Service Organization ("MSO") that assists physician practices in providing coordinated and more efficient care to patients via the Medicare Shared Savings Program ("MSSP") as administered by the Centers for Medicare and Medicaid Services (the "CMS"), which rewards providers for efficiency in patient care. We expect to use the cash proceeds generated from a sale to supplement its operating cash requirements and pursue additional acquisitions. We expect to complete a sale by the first quarter of 2023.

We received an initial determination during third quarter 2022 from the CMS that our ACO missed its plan year 2021 benchmark expenditures, for which we would have received payment in September 2022, by just 0.03% on total ACO expenditures of approximately $112 million. During September 2022, we requested and received a reconsideration appeal (the "MSSP Appeal") with the CMS on the basis that certain of our included expenditures were directly related to long-haul Covid-19 and should therefore be excluded from consideration in calculation of our shared savings. We are awaiting the outcome of the MSSP Appeal, which we expect during the fourth quarter of 2022. Because we recognize Medicare shared savings revenue and related provider shared savings expense when we receive official notification from CMS of any amounts to be paid to us, we will only recognize revenue and expense related to plan year 2021 shared savings if and when we are notified that the MSSP Appeal is successful. If the MSSP Appeal is unsuccessful, we will not receive any Medicare shared savings payments related to plan year 2021 and therefore will not recognize any Medicare shared savings revenue or provider shared saving expense in 2022.

Critical accounting policies and significant judgments and estimates

For a discussion of our critical accounting policies, see Note 2, "*Significant Accounting Policies,"* in the Notes to consolidated Financial Statements.

Results of Operations

Comparison of Three Months Ended September 30, 2022 and 2021

The following table summarizes the changes in our results of operations for the three months ended September 30, 2022 compared with the three months ended September 30, 2021:

	Three Months Ended September 30,		Change	
	2022	2021	$	%
Patient service revenue, net	$ 1,262,253	$ 1,394,356	$ (132,103)	-9%
Medicare shared savings revenue	---	2,419,312	(2,419,312)	-100%
Subscription, consulting and event revenue	89,977	69,595	20,382	29%
Product revenue	95,449	161,456	(66,007)	-41%
Total revenue	1,447,679	4,044,719	(2,597,040)	-64%
Operating Expenses and Costs				
Practice salaries and benefits	810,058	739,024	71,034	10%
Other practice operating expenses	695,300	549,086	146,214	27%
Medicare shared savings expenses	337,533	1,748,585	(1,411,052)	-81%
Cost of product revenue	87,775	145,432	(57,657)	-40%
Selling, general and administrative expenses	1,088,133	1,147,591	(59,458)	-5%
Depreciation and amortization	209,504	205,311	4,193	2%
Loss from operations	(1,780,624)	(490,310)	(1,290,314)	263%
Other Income (Expenses)				
Financing cost	(110,000)	---	*	*
Amortization of original issue and debt discounts on notes payable and convertible notes	(21,020)	---	*	*
Change in fair value of contingent acquisition consideration	133,483	126,411	7,072	6%
Interest expense	(5,640)	(4,118)	(1,522)	37%
Total other expenses	(3,177)	122,293	(125,470)	-103%
Net loss	$ (1,783,801)	$ (368,017)	$ (1,415,784)	385%

* - Denotes line item on statement of operations for which there was no corresponding activity in the same period of prior year.

Revenue

Patient service revenue in the three months ended September 30, 2022 decreased by $132,103, or 9% year-over-year, to $1,262,253, primarily as a result of decreased patient service revenue at our NWC and BTG practices due primarily to closures at both offices in September 2022 from Hurricane Ian, offset by a year-over-year increase at our NCFM practice of $46,327 and the addition of AEU revenue following its acquisition in second quarter 2022.

Medicare shared savings revenue in the three months ended September 30, 2022 decreased by $2,419,312, or 100%, year-over-year, to $-0- as a result of an initial determination during third quarter 2022 from the CMS that our ACO narrowly missed its plan year 2021 benchmark expenditures, for which we would have received payment in September 2022. During September 2022, we filed the MSSP Appeal with the CMS to review the calculation of our shared savings. We are awaiting the outcome of the MSSP Appeal, which we expect during the fourth quarter of 2022. Because we recognize Medicare shared savings revenue when we receive official notification from CMS of any amounts to be paid to us, we will only recognize revenue related to plan year 2021 shared savings if and when we are notified that the MSSP Appeal is successful. If the MSSP Appeal is unsuccessful, we will not receive any Medicare shared savings payments related to plan year 2021 and therefore will not recognize any Medicare shared savings revenue in 2022.

Subscription, consulting and event revenue in the three months ended September 30, 2022 increased by $20,382, or 29% year-over-year, to $89,977. Consulting revenue of $88,806 was earned by the ACO/MSO Division in 2022, compared to $69,595 in the three months ended September 30, 2021. Subscription and event revenue of $1,171 and $-0- in 2022 and 2021, respectively, was earned from Digital Healthcare division subscription revenues.

Product revenue was $95,449 in the three months ended September 30, 2022, compared to $161,456 in the three months ended September 30, 2021, a decrease of $66,007, or 41%. Product revenue was earned by the Medical Distribution Division, comprised of the operations of MOD.

Operating Expenses and Costs

Practice salaries and benefits increased by $71,034, or 10%, to $810,058 in the three months ended September 30, 2022, primarily as a result of the addition of AEU salaries and benefits for a full quarter in 2022 with no corresponding cost in 2021.

Other practice operating costs increased by $146,214, or 27%, to $695,300 in the three months ended September 30, 2022, primarily as a result of the addition of AEU operating costs for a full quarter in 2022 with no corresponding cost in 2021.

Medicare shared savings expenses in the three months ended September 30, 2022 decreased by $1,411,052, or 81%, year-over-year, to $337,533 as a result of an initial determination during third quarter 2022 from the CMS that our ACO narrowly missed its plan year 2021 benchmark expenditures, for which we would have received payment in September 2022. Because there was no shared savings awarded in the initial notification, the portion of shared savings shared with our participating providers was $-0- in 2022. During September 2022, we filed the MSSP Appeal with the CMS. We are awaiting the outcome of the MSSP Appeal, which we expect during the fourth quarter of 2022. Because we recognize provider shared savings expense when we receive official notification from CMS of any amounts to be paid to us, we will only recognize such expense related to plan year 2021 shared savings if and when we are notified that the reconsideration appeal is successful. If the reconsideration appeal is unsuccessful, we will not receive any Medicare shared savings payments related to plan year 2021 and therefore will not recognize any Medicare shared savings revenue or provider shared saving expense in 2022.

Cost of product revenue was $87,775 in the three months ended September 30, 2022, a decrease of $57,657, or 40%, compared to the same period of 2021, corresponding to the decline in product sales for the quarter compared to the same period in the prior year.

Selling, general and administrative costs decreased by $59,458, or 5%, to $1,088,133 in the three months ended September 30, 2022 compared to the three months ended September 30, 2021, primarily due to lower stock-based consulting fees, travel costs and advertising costs incurred in 2022 compared to 2021.

Depreciation and amortization increased in the three months ended September 30, 2022 by $4,193, or 2%, to $209,504 compared to the three months ended September 30, 2021 as a result of the addition of new depreciable medical equipment from the AEU acquisition. We did not add any new intangible assets subject to amortization during either period.

Loss from operations increased by $1,290,314, or 263%, to $1,780,624 in the three months ended September 30, 2022 compared to the three months ended September 30, 2021, primarily as a result of receiving no Medicare shared savings revenue (net of provider shared savings expense) in 2022, which is under appeal as described above, decreased patient service revenue at our NWC and BTG practices due primarily to closures at both offices in September 2022 from Hurricane Ian, and decrease in product revenue.

Other Income (Expenses)

Financing cost in the three months ended September 30, 2021 was $110,000, resulting from cash and stock-based fees paid in connection with the July 2022 Standby Equity Purchase Agreement (“SEPA”). There were no financing costs in the third quarter of 2021.

Amortization of original issue and debt discounts on notes payable and convertible notes in the three months ended September 30, 2021 was $21,020, resulting from amortization of original issue discounts on our July 2022 $550,000 promissory note and on a note payable assumed in our acquisition of AEU.

Gains from the change in fair value of contingent acquisition consideration increased by $7,072, or 6%, to $133,483 in the three months ended September 30, 2022, compared to $126,411 in the three months ended September 30, 2021. Because contingent acquisition consideration related to our acquisition of MOD is payable in a fixed number of shares, changes in the fair value of the contingent acquisition consideration fluctuates with our share price. During each of the three months ended September 30, 2022 and 2021, our share price decreased from the price at the end of the preceding quarter, resulting in a decrease in the fair value of the contingent acquisition consideration liability and a corresponding gain from the change in fair value of the liability.

Interest expense increased by $1,522, or 37%, to $5,640 for the three months ended September 30, 2022 as a result of the forgiveness of PPP loans in 2021. Interest expense relates primarily to long-term SBA loans.

Total other income (expenses) decreased by $125,470, or 103%, to expense of ($3,177) in the three months ended September 30, 2022 compared to income of $122,293 in the three months ended September 30, 2021. The change was primarily a result of financing costs and amortization of debt discounts associated with the July 2022 SEPA and $550,000 promissory note, respectively.

Net loss increased by $1,415,784, or 385%, to $1,783,801 in the three months ended September 30, 2022, compared to net loss of $368,017 in the three months ended September 30, 2021, primarily as a result of (i) the initial determination by CMS of no Medicare shared savings revenue (net of provider shared savings expense) in 2022, which is under appeal as described above, (ii) higher practice operating costs, (iii) lower patient service revenue resulting from office closures associated with Hurricane Ian in September 2022, and (iv) financing costs associated with the July 2022 SEPA.

Comparison of Nine Months Ended September 30, 2022 and 2021

The following table summarizes the changes in our results of operations for the nine months ended September 30, 2022 compared with the nine months ended September 30, 2021:

	Nine Months Ended September 30,		Change	
	2022	**2021**	**$**	**%**
Patient service revenue, net	$ 4,069,714	$ 4,379,282	$ (309,568)	-7%
Medicare shared savings revenue	---	2,419,312	(2,419,312)	-100%
Subscription, consulting and event revenue	260,491	229,114	31,377	14%
Product revenue	372,877	512,325	(139,448)	-27%
Total revenue	4,703,082	7,540,033	(2,836,951)	-38%
Operating Expenses and Costs				
Practice salaries and benefits	2,344,529	2,305,993	38,536	2%
Other practice operating expenses	1,897,070	1,790,874	106,196	6%
Medicare shared savings expenses	802,411	2,157,555	(1,355,144)	-63%
Cost of product revenue	419,129	474,026	(54,897)	-12%
Selling, general and administrative expenses	3,678,784	3,661,206	17,578	0%
Depreciation and amortization	622,306	623,438	(1,132)	0%
Loss from operations	(5,061,147)	(3,473,059)	(1,588,088)	46%
Other Income (Expenses)				
Gain (loss) on extinguishment of debt	---	(4,957,168)	4,957,168	-100%
Change in fair value of debt	---	(19,246)	19,246	-100%
Financing cost	(110,000)	---	*	*
Amortization of original issue discounts on notes payable	(21,020)	---	*	*
Change in fair value of contingent acquisition consideration	665,573	(234,678)	900,251	-384%
Interest expense	(15,151)	(13,083)	(2,068)	16%
Total other income (expenses)	519,402	(5,224,175)	5,743,577	-110%
Net loss	$ (4,541,745)	$ (8,697,234)	4,155,489	-48%

* - Denotes line item on statement of operations for which there was no corresponding activity in the same period of prior year.
* - Denotes change of less than 1%.

Revenue

Patient service revenue in the nine months ended September 30, 2022 decreased by $309,568, or 7% year-over-year, to $4,069,714, primarily as a result of decreased patient service revenue at our NWC practice of $632,275 due to the departure of a physician and a decrease at BTG of $48,051, offset by a year-over-year increase at our NCFM practice of $247,314 and the addition of AEU revenue following its acquisition.

Medicare shared savings revenue in the nine months ended September 30, 2022 decreased by $2,419,312, or 100%, year-over-year, to $-0- as a result of an initial determination during third quarter 2022 from the CMS that our ACO narrowly missed its plan year 2021 benchmark expenditures, for which we would have received payment in September 2022. During September 2022, we filed the MSSP Appeal with the CMS to review the calculation of our shared savings. We are awaiting the outcome of the MSSP Appeal, which we expect during the fourth quarter of 2022. Because we recognize Medicare shared savings revenue when we receive official notification from CMS of any amounts to be paid to us, we will only recognize revenue related to plan year 2021 shared savings if and when we are notified that the MSSP Appeal is successful. If the MSSP Appeal is unsuccessful, we will not receive any Medicare shared savings payments related to plan year 2021 and therefore will not recognize any Medicare shared savings revenue in 2022.

Subscription, consulting and event revenue in the nine months ended September 30, 2022 increased by $31,377, or 14% year-over-year to $260,491. Consulting revenue of $251,058 was earned by the ACO/MSO Division in 2022, compared to $217,209 in the three months ended June 30, 2021. Subscription and event revenue of $9,433 and $11,905 in 2022 and 2021, respectively, was earned from Digital Healthcare division subscription and event revenues.

Product revenue was $372,877 in the nine months ended September 30, 2022, compared to $512,235 in the nine months ended September 30, 2021, a decrease of $139,448, or 27%. Product revenue was earned by the Medical Distribution Division, comprised of the operations of MOD.

Operating Expenses and Costs

Practice salaries and benefits increased by $38,536, or 2%, to $2,344,529 in the nine months ended September 30, 2022 primarily as a result of the addition of AEU salaries and benefits starting in May 2022 with no corresponding cost in 2021.

Other practice operating costs increased by $106,196, or 6%, to $1,897,070 in the nine months ended September 30, 2022, primarily as a result of the addition of AEU operating costs starting in May 2022 with no corresponding cost in 2021.

Medicare shared savings expenses in the nine months ended September 30, 2022 decreased by $1,355,144, or 63%, year-over-year, to $802,411 as a result of an initial determination during third quarter 2022 from the CMS that our ACO narrowly missed its plan year 2021 benchmark expenditures, for which we would have received payment in September 2022. Because there was no shared savings awarded in the initial notification, the portion of shared savings shared with our participating providers was $-0- in 2022. During September 2022, we filed the MSSP Appeal with the CMS. We are awaiting the outcome of the MSSP Appeal, which we expect during the fourth quarter of 2022. Because we recognize provider shared savings expense when we receive official notification from CMS of any amounts to be paid to us, we will only recognize such expense related to plan year 2021 shared savings if and when we are notified that the reconsideration appeal is successful. If the reconsideration appeal is unsuccessful, we will not receive any Medicare shared savings payments related to plan year 2021 and therefore will not recognize any Medicare shared savings revenue or provider shared saving expense in 2022.

Cost of product revenue was $419,129 in the nine months ended September 30, 2022, a decrease of $54,897, or 12%, compared to the same period of 2021, corresponding to the decline in product sales for the period compared to the same period in the prior year. During the nine months ended September 30, 2022, we also made two sales with corresponding cost of product revenue of $89,395 for which we do not believe it is probable that we will collect from the customers. As a result, the cost of product revenue is recognized in the three months ended September 30, 2022 with no corresponding revenue recognized.

Selling, general and administrative costs increased by $17,578, or less than 1%, to $3,678,784 in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily due to more personnel, overhead, promotional and development costs in our corporate function in connection with our continued investment in the HealthLynked Network, offset by lower stock-based and cash-based consulting fees, and legal and accounting fees in 2022 compared to 2021.

Depreciation and amortization decreased in the nine months ended September 30, 2022 by $1,132, or less than 1%, to $622,306 compared to the nine months ended September 30, 2021, primarily as a result of certain fixed assets reaching the end of their depreciable lives in 2021, offset by the addition of new depreciable medical equipment from the AEU acquisition. We did not add any new intangible assets subject to amortization during either period.

Loss from operations increased by $1,588,088, or 46%, to $5,061,147 in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily as a result of receiving no Medicare shared savings revenue (net of provider shared savings expense) in 2022, which is under appeal as described above, lower patient service and product revenue and an increase in practice operating costs.

Other Income (Expenses)

Loss on extinguishment of debt in the nine months ended September 30, 2021 was $4,957,168 resulting from (i) a loss on debt extinguishment of $5,589,994 representing the excess of the fair value of shares and a warrant issued at conversion of convertible notes over the carrying value of the host instruments and accrued interest, and (ii) a debt extinguishment gain of $632,826 related to the forgiveness of PPP loans in May and June 2021. There were no gains or losses from the extinguishment of debt in 2022.

Losses from the change in fair value of debt was $19,246 in the nine months ended September 30, 2021. Such losses resulted from certain convertible notes and notes payable to related parties that, in previous periods, were extended and treated as an extinguishment and reissuance for accounting purposes, requiring these notes to be subsequently carried at fair value. The change in fair value at the end of each reporting period was recorded as “Change in fair value of debt.” After conversion of our remaining convertible notes outstanding in January 2021, we had no further debt carried at fair value, and therefore no change in fair value of debt in the nine months ended September 30, 2022

Financing cost in the nine months ended September 30, 2021 was $110,000, resulting from cash and stock-based fees paid in connection with the July 2022 SEPA. There were no financing costs in the third quarter of 2021.

Amortization of original issue and debt discounts on notes payable and convertible notes in the nine months ended September 30, 2021 was $21,020, resulting from amortization of original issue discounts on our July 2022 $550,000 promissory note and on a note payable assumed in our acquisition of AEU.

Gain (loss) from the change in fair value of contingent acquisition consideration increased by $900,251, or 384%, to a gain of $665,573 in the nine months ended September 30, 2022, compared to a loss of $234,678 in the nine months ended September 30, 2021. Because contingent acquisition consideration related to our acquisition of MOD is payable in a fixed number of shares, changes in the fair value of the contingent acquisition consideration fluctuates with our share price. During the nine months ended September 30, 2021, our share price increased substantially, resulting in an increase in the fair value of the contingent acquisition consideration liability and a corresponding loss from the change in fair value. During the nine months ended September 30, 2022, our share price decreased substantially, resulting in a gain from the decrease in fair value of the liability.

Interest expense increased by $2,068, or 16%, to $15,151 for the nine months ended September 30, 2022, compared to interest expense of $13,083 in the nine months ended September 30, 2021. Interest expense relates primarily to long-term SBA loans.

Total other income (expenses) increased by $5,743,577, or 110%, to income of $519,402 in the nine months ended September 30, 2022 compared to expense of $5,224,175 in the nine months ended September 30, 2021. The change was primarily a result of a $5,589,994 loss on extinguishment of debt associated with the retirement of our last remaining convertible notes payable in 2021, and a gain from the change in fair value of contingent acquisition recognized in the nine months ended September 30, 2022, contrasted to a loss in the nine months ended September 30, 2021, due principally to the fixed-share structure of the MOD contingent consideration.

Net loss decreased by $4,155,489, or 48%, to $4,541,745 in the nine months ended September 30, 2022, compared to net loss of $8,697,234 in the nine months ended September 30, 2021, primarily as a result of (i) the initial determination by CMS of no Medicare shared savings revenue (net of provider shared savings expense) in 2022, which is under appeal as described above, (ii) an increase in the gain from the change in fair value of contingent acquisition recognized in 2022 compared to 2021, due principally to the fair value impact of changes in our stock price on the fixed-share structure of the MOD contingent acquisition consideration, (iii) a decrease in patient services revenue at our NWC facility and a decrease in product revenue, and (iv) an increase in practice salaries and operating costs in our Health Services division.

Seasonal Nature of Operations

We acquired CHM in May 2020. CHM's primary source of revenue is derived from payments earned under the Medicare shared savings program. Such amounts are determined annually when we are notified by CMS of the amount of shared savings earned. Accordingly, we recognize Medicare shared savings revenue in the period in which the CMS notifies us of the exact amount of shared savings to be paid, which historically has occurred during the three-month period ended September 30 for the program year ended December 31 of the previous year. Medicare shared savings revenue for the program year ended December 31, 2020, for which we received payment and recognized revenue in September 2021, was $2,419,312. Medicare shared savings revenue for the program year ended December 31, 2019, for which we received payment and recognized revenue in September 2020, was $767,744. Future recognition of Medicare shared savings revenue is expected to result in a material increase in our consolidated revenues in the third fiscal quarter of each year compared to the first, second and fourth fiscal quarters. Likewise, in the period in which we recognize Medicare shared savings revenue, we also determine the amount of shared savings expense to be paid to physicians participating in our ACO. This expense is also expected to be recognized in the third fiscal quarter of each year and is expected to materially increase our total operating expenses in the third fiscal quarter compared to other quarters of the fiscal year

As described above, we received an initial determination during third quarter 2022 from the CMS that our ACO missed its plan year 2021 benchmark expenditures, for which we would have received payment in September 2022, by just 0.03% on total ACO expenditures of approximately $112 million. During September 2022, we filed the MSSP Appeal with the CMS on the basis that certain of our included expenditures were directly related to long-haul Covid-19 and should therefore be excluded from consideration in calculation of our shared savings. We are awaiting the outcome of the MSSP Appeal, which we expect during the fourth quarter of 2022. Because we recognize Medicare shared savings revenue and related provider shared savings expense when we receive official notification from CMS of any amounts to be paid to us, we will only recognize revenue and expense related to plan year 2021 shared savings if and when we are notified that the MSSP Appeal is successful. If the MSSP Appeal is unsuccessful, we will not receive any Medicare shared savings payments related to plan year 2021 and therefore will not recognize any Medicare shared savings revenue or provider shared saving expense in 2022.

Liquidity and Capital Resources

Liquidity and Going Concern

During the second quarter of 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. This update provided U.S. GAAP guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. Under this standard, we are required to evaluate whether there is substantial doubt about our ability to continue as a going concern each reporting period, including interim periods. In evaluating our ability to continue as a going concern, management considered the conditions and events that could raise substantial doubt about our ability to continue as a going concern within 12 months after our financial statements were issued (November 14, 2022). Management considered our current financial condition and liquidity sources, including current funds available, forecasted future cash flows and our obligations due before November 14, 2023.

We are subject to a number of risks, including uncertainty related to product development and generation of revenues and positive cash flow from our Digital Healthcare division and a dependence on outside sources of capital. The attainment of profitable operations is dependent on future events, including obtaining adequate financing to fulfill our growth and operating activities and generating a level of revenues adequate to support our cost structure.

We have experienced net losses and cash outflows from operating activities since inception. As of September 30, 2022, we had cash balances of $158,160, a working capital deficit of $1,989,943 and an accumulated deficit of $36,746,934. For the nine months ended September 30, 2022, we had a net loss of $4,541,745, net cash used by operating activities of $3,762,644, and cash provided by financing activities of $1,173,908. We expect to continue to incur net losses and have significant cash outflows for at least the next 12 months.

Management has evaluated the significance of the conditions described above in relation to our ability to meet our obligations and concluded that, without additional funding, we will not have sufficient funds to meet our obligations within one year from the date the condensed consolidated financial statements were issued.

On July 5, 2022, we entered into a Standby Equity Purchase Agreement (the "SEPA") with YA II PN, Ltd. ("Yorkville"). Pursuant to the SEPA, we shall have the right to sell to Yorkville up to 30,000,000 of our shares of common stock, par value $0.0001 per share, at our request any time during the commitment period set forth in the SEPA. Because the purchase price per share to be paid by Yorkville for the shares of common stock sold us to Yorkville pursuant to the SEPA, if any, will fluctuate based on the market prices of our common stock during the applicable pricing period, we cannot reliably predict the actual purchase price per share to be paid by Yorkville for those shares, or the actual gross proceeds to be raised by us from those sales, if any. During the three and nine months ended September 30, 2022, we made 11 advances under the SEPA, receiving $297,405 in proceeds for the issuance of 2,708,100 shares of common stock, of which $125,618 was applied to the balance of the Promissory Note.

On July 19, 2022, pursuant to a Note Purchase Agreement between us and Yorkville, dated July 5, 2022, we issued to Yorkville a promissory note with an initial principal amount equal to $550,000 (the "Promissory Note") at a purchase price equal to the principal amount of the Promissory Note less any original issue discounts and fees. We received net proceeds of $522,500. The Promissory Note will mature on the six-month anniversary of execution. The Promissory Note accrues interest at a rate of 0%, but was issued with 5% original issue discount, and will be repaid in five equal monthly installments beginning on August 19, 2022. The Promissory Note may be repaid with the proceeds of an advance under the SEPA, or repaid in cash and, if repaid in cash, together with a 2% premium. During the third quarter of 2022, we made repayments totaling $149,595 against the Promissory Note, including $125,618 applied from proceeds of sales of common stock under the SEPA.

On October 21, 2022, our Board of Directors approved a plan to sell the ACO/MSO Division, comprised of the operations of CHM and its subsidiary AHP, which we acquired on May 18, 2020. CHM and AHP operate an ACO that assists physician practices in providing coordinated and more efficient care to patients via the MSSP, as administered by the CMS, which rewards providers for efficiency in patient care. We expect to use the cash proceeds generated from a sale to supplement our operating cash requirements and pursue additional acquisitions. We expect to complete a sale by the first quarter of 2023.

Without raising additional capital, either via additional Advances made pursuant to the SEPA, from the sale of debt or equity, from the sale of the ACO/MSO Division, or from other sources, there is substantial doubt about our ability to continue as a going concern through November 14, 2023. The accompanying condensed consolidated financial statements have been prepared assuming that we will continue as a going concern. This basis of presentation contemplates the recovery of our assets and the satisfaction of liabilities in the normal course of business.

Plan of operation and future funding requirements

Our plan of operations is to profitably operate our Health Services business and continue to invest in our Digital Healthcare business, including our cloud-based online personal medical information and record archiving system, the "HealthLynked Network."

We are marketing the HealthLynked Network by targeting large health systems, hospitals and universities. In addition, we are marketing via direct-to-patient marketing, affiliated marketing campaigns, co-marketing with our Medical Distribution businesses subsidiary MOD, and expanded southeast regional sales efforts. Our initial sales strategy is utilizing Internet-based marketing to increase penetration to targeted geographical areas. These campaigns are focused on both physician providers and patient members. We also are leveraging MOD's discounted medical supplies as an offering to our patient and physician members in the HealthLynked Network. We also intend to utilize physician telesales through the use of telesales representatives whom we will hire as access to capital allows. If we fail to complete the development of, or successfully market, the HealthLynked Network, our ability to realize future increases in revenue and operating profits could be impacted, and our results of operations and financial position would be materially adversely affected.

Historical Cash Flows

	Nine Months Ended September 30,	
	2022	**2021**
Net cash (used in) provided by:		
Operating activities	$ (3,762,644)	$ (1,627,184)
Investing activities	(544,750)	(334,581)
Financing activities	1,173,908	7,248,372
Net increase (decrease) in cash	$ (3,133,486)	$ 5,286,607

Operating Activities – During the nine months ended September 30, 2022, we used cash from operating activities of $3,762,644, as compared with $1,627,184 in the nine months ended September 30, 2021. The increase in cash usage results primarily from year-over-year decreases in Medicare shared savings revenue (net of provider shared savings expense) for which we are awaiting the outcome of an appeal, patient service and product revenue, as well as increased selling, increased general and administrative costs related to our continued expansion and investment in developing and marketing the HealthLynked Network.

Investing Activities – During the nine months ended September 30, 2022, we used $544,750 in investing activities, including $313,802 used to acquire AEU (net of cash acquired), $207,384 contingent acquisition consideration payment paid to the sellers of NCFM related to the third and final year of earn-out, and $23,564 to acquire fixed assets. During the nine months ended September 30, 2021, we used $334,581 in investing activities, including $196,000 contingent acquisition consideration payment paid the sellers of NCFM and $126,106 contingent acquisition consideration payment paid the sellers of Cura, plus $12,475 for the acquisition of computers and equipment.

Financing Activities – During the nine months ended September 30, 2022, we received $706,787 from the sale of common stock (net of $125,618 received from sales of common stock under the SEPA that were applied to the balance of the Note Payable), $522,500 from the issuance of notes payable and paid $55,379 against notes payable balances (net of $125,618 received from sales of common stock under the SEPA that were applied to the balance of the Note Payable). During the nine months ended September 30, 2022 and 2021, we realized $7,248,372 and $271,308, respectively, in financing activities. Cash realized in 2021 was comprised mainly of $5,229,360 from the sale of common stock pursuant to private placements and puts under the Investment Agreement, $1,719,921 net proceeds from the Registered Direct Offering, and $350,200 proceeds from the exercise of options and warrants. We also made cash repayments against a vendor note in the amount of $51,109, retiring the note in full.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined in Rule 229.10 (f)(1).

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are designed to ensure that information required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of September 30, 2022 based on the framework in “Internal Control – Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. Based on that evaluation, our management concluded that our disclosure controls and procedures were effective as of September 30, 2022.

Changes in Internal Control over Financial Reporting

There was no change in the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the fiscal quarter ended September 30, 2022 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

We are not aware of any such legal proceedings that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Item 1A. Risk Factors

The Company is not required to provide the information required by this item as it is a "smaller reporting company," as defined by Rule 229.10 (f)(1).

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

Except as previously disclosed in a Current Report on Form 8-K or in a Form 10-Q, or as set forth below, the Company has not sold securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act"), during the period covered by this report:

On July 5, 2022, we sold 3,181,818 shares of common stock for cash in a private placement transaction to three separate accredited investors. We received $350,000 in proceeds from the sale. In connection with the stock sale, we also issued 1,590,909 five-year warrants to purchase shares of common stock at an exercise price of $0.22 per share.

On July 26, 2022, we issued 142,024 shares of common stock to a consultant as compensation for services provided.

On September 27, 2022, we sold 1,750,000 shares of common stock for cash in a private placement transaction to two separate accredited investors. We received $175,000 in proceeds from the sale. In connection with the stock sale, we also issued 1,625,000 five-year warrants to purchase shares of common stock at exercise prices between $0.12 and $0.15 per share.

The sales of the above securities were exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act, as transactions by an issuer not involving any public offering. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Exhibit Description
10.1	Extension Letter Agreement, by and between HealthLynked Corp. and George O'Leary, dated October 13, 2022 (Filed as Exhibit 10.1 to the Company's Form 8-K filed with the Commission on October 19, 2022)
10.2	Non-Disclosure, Non-Solicitation and Non-Compete Agreement between HealthLynked Corp. and George O'Leary, dated October 13, 2022 (Filed as Exhibit 10.2 to the Company's Form 8-K filed with the Commission on October 19, 2022)
31.1*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer
31.2*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of the Principal Financial Officer and Principal Accounting Officer
32.1*	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer
32.2*	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Financial Officer and Principal Accounting Officer
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

SIGNATURES

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

Dated: November 14, 2022

HEALTHLYNKED CORP.

By: /s/ Michael Dent
Name: Michael Dent
Title: Chief Executive Officer and Chairman
(Principal Executive Officer)

By: /s/ George O'Leary
Name: George O'Leary
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002

I, Michael Dent, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 of the registrant, HealthLynked Corp.;

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 officers 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers 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: November 14, 2022

By: /s/ Michael Dent
Name: Michael Dent
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002

I, George O'Leary, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 of the registrant, HealthLynked Corp.;

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 officers 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers 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: November 14, 2022	By:	/s/ George O'Leary
	Name:	George O'Leary
	Title:	Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS
Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of 18 U.S.C. Section 1350), I, Michael Dent, Chief Executive Officer of HealthLynked Corp., a Nevada corporation (the “Company”), hereby certify, to my knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (the “Form 10-Q”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2022

By: /s/ Michael Dent
Name: Michael Dent
Title: Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATIONS
Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of 18 U.S.C. Section 1350), I, George O'Leary, Chief Financial Officer of HealthLynked Corp., a Nevada corporation (the "Company"), hereby certify, to my knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2022

By: /s/ George O'Leary
Name: George O'Leary
Title: Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.