

## **Management's Discussion and Analysis**

The following discussion and analysis prepared as at August 24, 2009, explains trends in the Company's financial condition and results of operations for the six months ended June 30, 2009 as compared to the six months ended June 30, 2008. This discussion and analysis of the results of operations and financial condition of the Company should be read in conjunction with the audited consolidated financial statements of the Company. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All financial statement figures are reported in Canadian dollars unless explicitly stated otherwise.

### **Caution on Forward-Looking Information**

This report contains certain statements that constitute forward-looking information. These forward-looking statements are not descriptive of historical matters and may refer to management's expectation or plans. These statements include, but are not limited to statements concerning our business objectives and plans and future trends in our industry. Inherent in forward-looking statements are risks and uncertainties beyond management's ability to predict or control including risks that may affect VRX's operating or capital plans. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements in this discussion and analysis as well as contained in other components of the annual report. Such statements are based upon a number of assumptions that may prove incorrect, including but not limited to, the following assumptions: that there is no material deterioration in general business and economic conditions; that there are no unanticipated fluctuations in interest or exchange rates; that there is no cancellation or unfavourable variation to its current major contracts; that if required, VRX is able to finance future expansion plans on reasonable terms; that there are no terrorism acts that directly impact the global travel industry and that VRX maintains its ongoing relations with its employees and business partners. We caution you that the foregoing list of important factors and assumptions is not exhaustive. You should also carefully consider matters discussed under "Risk and Uncertainties" contained elsewhere in this discussion. VRX undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

### **Overview**

The Company was incorporated under the Business Corporations Act (Alberta) on December 29, 1993 as 593930 Alberta Ltd. On April 15, 1994 the Company changed its name to Cambridge Minerals Ltd.; further changed to Cambridge Ventures Ltd. on May 21, 1999; and finally to VRX Worldwide Inc. on December 11, 2000.

Since February 2000, the Company's principal business, carried out through its wholly owned subsidiary VRX Studios Inc., is the provision of premium, rich media, content solutions to the global travel industry.

The Company's two primary revenue streams, Licensing and Service Work, have the same client base: online travel intermediaries, hotels and resorts, cruise lines and tourism boards. Under its Service Work offering, VRX creates custom virtual tours, still images, interactive maps and descriptive text of hotels, cruise ships and destinations; Whereas under Licensing, VRX licenses existing virtual tours, still images, interactive maps and descriptive text of hotels, cruise ships and destinations to travel companies. The travel content licensed by VRX to third party travel companies is either owned outright by VRX or VRX has the right to license the content.

For Service Work, VRX charges a one-time service fee. In such cases, a client requests specific content to be created of a specific subject matter. VRX charges the client a portion of the Service fee upfront and the remainder upon delivery. Content created under the Service Work model is usually owned by the client. In contrast, Licensing revenues are derived in large part from archives of rich media content that the Company licenses to third parties. Such licensing arrangements tend to be long lived and generate recurring Licensing revenues. Additional Licensing revenues are generated from hosting and distributing content created for many of the Company's Service Work clients. The hosting and distribution services that VRX provides utilize the same technology and infrastructure developed by the Company for delivering its Licensing products.

The various products, services and content archives offered by the Company to its clients have been developed over time. The Company's initial offering was its Destination Content archive which was launched in early 2001. This archive includes extensive visual coverage of the top tourist destinations in Mexico, the Caribbean and the United States.

In early 2002, to meet the demand of one of the world's largest online travel agencies, the Company expanded its offering by creating a custom service division. Under a three-year exclusive contract, signed in early 2002, VRX's new division created virtual tours of over 1,800 hotels throughout North America, Europe and Asia.

In early 2005, in order to meet the rapidly growing demand for high quality hotel content of other online travel agencies, VRX decided not to renew its exclusive custom services contract and launched an innovative new program. Under this program, VRX invested in the creation of the hotel content, creating a large archive of hotel content owned by VRX, and then licensed the content to online travel agencies, global distribution systems and tour operators.

In early 2008, VRX launched Athena™, a new service to address the desire of a growing number of hotels to make the virtual tours, still images and interactive maps of their hotels available royalty-free to online travel agencies, global distribution systems and tour operators. Under this program, hotels are also able to own the content of their hotels by covering the production costs and providing VRX an exclusive, worldwide, distribution license.

Whether a hotel is part of VRX's Hotel or Athena™ Program, VRX works with each hotel under its Always Fresh™ program to ensure the content of their hotel is always up-to-date and accurate. The revenue from both programs is captured in Licensing Fees.

Today, VRX licenses destination, hotel and cruise content to the World's leading online travel agencies, global distribution systems and tour operators and works with hospitality brands that represent fourteen thousand hotels around the world.

## **Financial Condition**

### **Results of Operations**

#### *Net Profit*

The Company continues to maintain its focus on growing revenues while controlling operating expenses. In the first half of fiscal 2009, management's efforts resulted in a 51% growth in total revenue, a 6% increase in operating expenses (Cost of Sales, Marketing, R&D and G&A) and a 234% increase in profit as compared to the same period of the previous year.

### Revenue and Gross Profit

Total revenues were \$3.1 million for the first half of fiscal 2009, up 51% from \$2.0 million in the same half of the previous year. This increase was comprised of a 16% increase in Licensing revenue, from \$914,584 to \$1,065,387, and a 79% increase in Service revenue, from \$1,109,928 to \$1,985,508. The growth in Service revenue was primarily due to the Company's ongoing global photography initiative for a well-known hospitality client.

	Three months ended June 30,				Six months ended June 30,			
	2009	2008	Change		2009	2008	Change	
Licensing fees	\$ 536,306	\$ 482,555	\$ 53,751	11%	\$ 1,065,387	\$ 914,584	\$ 150,803	16%
Service fees	1,051,209	563,159	488,050	87%	1,985,508	1,109,928	875,580	79%
Total revenue	\$ 1,587,515	\$ 1,045,714	\$ 541,801	52%	\$ 3,050,895	\$ 2,024,512	\$ 1,026,383	51%

In addition to new and ongoing contracts, the strength of the Canadian dollar in the first half of the year had a positive effect on the Company's total revenue in Canadian dollars versus the same half of the previous year. The average exchange rate for the first half of 2009 as per the Bank of Canada was 1.206 as compared to 1.007 in the same half of the previous year, an increase of 20%.

Cost of sales increased for the first half of fiscal 2009 to \$1,232,982, up 6% from \$1,167,857 in the same half of the previous year. Expressed as a percentage of total revenue, cost of sales improved from 58% in 2008 to 40% in 2009. Key measures that were implemented to manage costs included the continuing refinement of production workflow and rolling out a U.S. network of regional photographers.

The Company's gross profit for the first half of fiscal 2009 was \$1,812,721, up 112% from \$856,655 in the same half of the previous year. Between these two periods, the company's gross margin increased from 42% to 59%. This significant increase in the Company's gross margin is the result of various factors such as management's ongoing cost reduction initiatives which began in early 2008, significant revenue growth and the stronger U.S. dollar.

	Three months ended June 30,				Six months ended June 30,			
	2009	2008	Change		2009	2008	Change	
Total Revenue	\$ 1,587,515	\$ 1,045,714	\$ 541,801	52%	\$ 3,050,895	\$ 2,024,512	\$ 1,026,383	51%
Cost of Sales	664,155	600,714	63,441	11%	1,238,174	1,167,857	70,317	6%
Gross Profit	\$ 923,360	\$ 445,000	\$ 478,360	107%	\$ 1,812,721	\$ 856,655	\$ 956,066	112%
Gross Profit %	58%	43%			59%	42%		

### Sales, marketing and product promotion

Sales, marketing and product promotion expenses were \$439,611 for the first half of fiscal 2009, down slightly from \$450,409 in the same half of the previous year. Headcount and other sales department expenditures do not vary directly with sales and have remained stable as expected. Commissions expense will vary with sales levels but does not correlate directly due to differences in commission rates, product mix and volume targets.

	Three months ended June 30,			Six months ended June 30,		
	2009	2008	Change	2009	2008	Change
Wages, contractors & benefits	\$ 109,558	\$ 120,659	-9%	\$ 224,264	\$ 223,751	0%
Commissions	65,577	75,709	-13%	125,422	137,863	-9%
Other	46,480	37,953	22%	89,925	88,795	1%
	\$ 221,615	\$ 234,321	-5%	\$ 439,611	\$ 450,409	-2%

### Research and Development

Research and Development expenses were \$311,261 for the first half of fiscal 2009, up 10% from \$282,116 for the same half of the previous year. Costs have risen due to planned improvements to the Company's product and service offerings. The trend of year over year R&D expense growth will continue for the remainder of the year while the Company upgrades its digital asset management and work flow systems. These upgrades are being done to enhance and augment the services that the Company provides as well as generate new revenues. R&D wages have decreased as compared to the same period of the previous year as the Company is using specialized consultants for the upgrade project rather than hire additional full-time staff.

	Three months ended June 30,			Six months ended June 30,		
	2009	2008		2009	2008	
Wages & benefits	\$ 103,943	\$ 110,714	-6%	\$ 223,187	\$ 243,402	-8%
Other	50,949	17,773	187%	88,074	38,714	127%
	<u>\$ 154,892</u>	<u>\$ 128,487</u>	<u>21%</u>	<u>\$ 311,261</u>	<u>\$ 282,116</u>	<u>10%</u>

### General and Administrative

General and Administrative expenses were \$373,085 for the first half of fiscal 2009, up 15% from \$324,735 in the same half of the previous year. The increase is primarily attributable to a rise in full-time headcount. During the second quarter of 2008, the Company did not incur wage-related costs for a Chief Financial Officer while an executive search was underway.

	Three months ended June 30,			Six months ended June 30,		
	2009	2008		2009	2008	
Wages, contractors & benefits	\$ 123,743	\$ 93,108	33%	\$ 232,654	\$ 198,166	17%
Professional fees	21,241	40,595	-48%	64,590	60,868	6%
Other	42,651	37,904	13%	75,841	65,701	15%
	<u>\$ 187,635</u>	<u>\$ 171,607</u>	<u>9%</u>	<u>\$ 373,085</u>	<u>\$ 324,735</u>	<u>15%</u>

### Other items

Interest expense including accretion was \$78,567 for the first half of fiscal 2009, down 53% from \$166,918 in the same half of the previous year. The decrease is due to accretion expense ending on January 31, 2009 for the Sabre debenture as planned, compared to the same half of the previous year which included six months of accretion expense for the Sabre debenture.

Recovery of income taxes was recorded as \$154,978 in 2009 (2008 - \$Nil). While the Company's recorded losses are available for application against future profits, there is not as yet a sufficient degree of certainty as to the amount or timing of such future profits to enable the Company to record an estimated recovery and corresponding income tax asset on its accounts.

## Sequential Results of Operations

	Quarter ending Jun. 30, 2009	Quarter ending Mar. 31, 2009	% change
Licensing fees	\$ 536,306	\$ 529,081	1%
Service fees	1,051,209	934,299	13%
Total revenue	1,587,515	1,463,380	8%
Cost of sales	664,155	574,019	16%
Gross Profit	923,360	889,361	4%
Gross Profit %	58%	61%	
Marketing, R&D and G&A expenses	564,142	559,815	1%
EBITDA	\$ 359,218	\$ 329,546	9%

Total revenue in the second quarter of fiscal 2009 as compared to the first quarter of fiscal 2009 increased by 8% due mainly to additional service work performed pursuant to a contract with an existing significant customer. Foreign exchange negatively impacted total revenue as the average US exchange rate declined to 1.167 for the second quarter of 2009 as compared to 1.245 for the first quarter of 2009.

Gross profit in the second quarter of fiscal 2009 as compared to the first quarter of fiscal 2009 increased by 4% due mainly to increased service work. The Gross profit percentage decreased by 3% sequentially due mainly to the drop in the sequential foreign exchange rate. The Company's gross margin as a percentage of revenue is susceptible to volatility from period to period depending on the mix of revenue between Licensing and Service work, the amount of total revenue and foreign exchange fluctuations

Marketing, R&D and G&A expenses remained stable increasing by 1% or \$4,327 in the second quarter of fiscal 2009 as compared to the first quarter of fiscal 2009.

## Quarterly Disclosure – Eight Quarters Preceding Most Recently Completed Financial Year

The following table sets forth selected unaudited financial information prepared by management of the Company.

	Three months ended			
	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008	Sep. 30, 2008
Licensing fees	\$ 536,306	\$ 529,081	\$ 500,006	\$ 415,700
Service fees	1,051,209	934,299	972,146	501,268
Total revenues	1,587,515	1,463,380	1,472,152	916,968
Net income (loss)	\$ 354,961	\$ 241,107	\$ 78,372	\$ (222,950)
Basic earnings (loss) per share	\$ 0.010	\$ 0.007	\$ 0.002	\$ (0.006)
Diluted earnings (loss) per share	\$ 0.010	\$ 0.007	\$ 0.002	\$ (0.006)

  

	Three months ended			
	Jun. 30, 2008	Mar. 31, 2008	Dec. 31, 2007	Sept. 30, 2007
Licensing fees	\$ 482,555	\$ 432,029	\$ 407,139	\$ 402,514
Service fees	563,159	546,769	677,093	525,223
Total revenues	1,045,714	978,798	1,084,232	927,737
Net income loss	\$ (183,731)	\$ (260,106)	\$ (250,758)	\$ (238,375)
Basic (loss) per share	\$ (0.005)	\$ (0.008)	\$ (0.007)	\$ (0.007)
Diluted (loss) per share	\$ (0.005)	\$ (0.008)	\$ (0.007)	\$ (0.007)

## Liquidity and Capital Resources

The Company's ability to continue on a going concern basis is dependent upon management's plans to generate positive cash flows from operations by increasing revenues and production efficiencies and reducing operating costs. However, there is no assurance the Company will be successful in achieving these objectives.

As of June 30, 2009, the Company had a working capital deficit of \$589,071 (December 31, 2008 - \$1,445,421) including cash and cash equivalents of \$294,342 (December 31, 2008 - \$265,199). The improvement of \$856,350 in working capital is due to the profit from operations for the first half of fiscal 2009 and the restructuring of an existing debenture for another three year term that was classified as fully current at December 31, 2008.

	<u>Jun. 30, 2009</u>	<u>Dec. 31, 2008</u>
Cash and cash equivalents	\$ 294,342	\$ 265,199
Accounts receivable	743,724	535,317
Prepaid expenses and deposits	33,144	14,280
Accounts payable	(606,436)	(610,132)
Deferred revenue	(773,194)	(979,800)
Current portion of long-term debt	<u>(280,651)</u>	<u>(670,285)</u>
Working Capital (Deficit)	<u>\$ (589,071)</u>	<u>\$ (1,445,421)</u>

As of June 30, 2009, the Company had a net current monetary asset position of \$150,979 as compared to a net current monetary liability position of \$479,901 at December 31, 2008. The improvement of \$630,880 in the net current monetary position is due to the profit from operations for the first half of fiscal 2009 and the restructuring of an existing debenture for another three year term that was classified as fully current at December 31, 2008.

	<u>Jun. 30, 2009</u>	<u>Dec. 31, 2008</u>
Cash and cash equivalents	\$ 294,342	\$ 265,199
Accounts receivable	743,724	535,317
Accounts payable	(606,436)	(610,132)
Current portion of long-term debt	<u>(280,651)</u>	<u>(670,285)</u>
Net current monetary asset (liability)	<u>\$ 150,979</u>	<u>\$ (479,901)</u>

Although classified within the current liabilities section of the balance sheet, deferred revenue is a non-monetary item. Deferred revenue represents partial or full payment for products and services to be delivered in the future. For deferred revenue related to licensed content, the Company has completed the necessary work under the contract and fully expensed the related costs; however, the revenue is being recognized ratably over the life of the contract. For deferred revenue related to service revenue, the Company has started work on the contract but has not yet completed all of the required production work and, in accordance with the Company's policy, revenue is deferred until the finished product is delivered; however, all related direct costs have been expensed immediately.

	<u>Jun. 30, 2009</u>	<u>Dec. 31, 2008</u>
Deferred Service fees	\$ 525,234	\$ 869,516
Deferred Licensing fees	<u>247,960</u>	<u>110,285</u>
	<u>\$ 773,194</u>	<u>\$ 979,801</u>

Cash provided by operating activities for the first half of fiscal 2009 was \$238,872 compared with a use of cash of \$299,902 in the same half of the previous year, an increase of \$538,774. The increase in cash provided by operations is primarily due to the profit for the first half of fiscal 2009. The Company remains focused on growing revenues while controlling operating expenses.

Cash used for investing activities was \$203,821 for the first half of fiscal 2009 compared with \$13,947 in the same half of the previous year. The majority of the increase in first half of fiscal 2009 was due to the planned upgrade of the Company's computer hardware and software to support the Company's product offerings, as well as the implementation of new digital asset management and work flow systems.

Net cash used for financing activities was \$5,908 for the first half of fiscal 2009, compared with a use of cash for financing activities of \$213,705 in the same half of the previous year. The use of cash in the first half of fiscal 2009 was \$145,848 for the repayment of outstanding principal on debentures and capital lease obligations, compared with \$213,705 in the same half of the previous year. The source of cash from financing activities in the first half of 2009 represents lease financing from computer hardware and software vendors. The terms of the leases range from one to three years with finance rates from 5% to 14%.

Effective May 29, 2009 the Company and Sabre Inc. signed a Restructuring Agreement that agreed to extend the term of a convertible debenture between the two parties to May 31, 2012. In addition, the two parties agreed to amend the debenture by reducing the interest rate from 12% per annum to 0% per annum and eliminating the security requirement of a copy of 500 hotels from the VRX's Hotel Content archive without any license or other fee being payable. The Company will record imputed interest on the restructured debenture at a discount rate of 13.9%. All other material terms of the debenture remain unchanged.

The two parties also renegotiated and renewed the associated content licensing agreement, signed on February 7, 2006, for an additional three years.

### **Transactions with Related Parties**

During the six months ended June 30, 2009, the Company outsourced certain of its executive and staff search requirements to a company owned by a party related to an officer of the Company. In the aggregate the Company incurred expenses amounting to \$26,282 (2008 - \$44,614).

These transactions were in the normal course of operations and have been recorded at their exchange amounts.

### **Segmented information and Economic Dependence**

The Company operates in one business segment, the provision of rich media content solutions to the travel industry. All property and equipment is located in Canada. Substantially all of the Company's revenues are derived from customers located in the United States.

The Company had two customers that accounted for greater than ten percent of revenue for a total of 59% (29% and 30% respectively) during the quarter ended June 30, 2009, and two customers for the six months ended June 30, 2009 that accounted for a total of 54% (33% and 21% respectively).

### **Financial Instruments**

As disclosed in its audited financial statements, the Company has identified several financial instruments that it utilizes in its day-to-day activities.

Management has identified that four such instruments bear scrutiny on an ongoing basis. These items are accounts receivable and other receivables, cash equivalents, accounts payable and accrued liabilities and the liability component of the Company's convertible debentures.

As described earlier, the Company has an excellent client base and strong history of collecting its accounts receivable and other receivables in full.

Cash equivalents consist of highly liquid investments which are generally less than six months. As such management perceives little risk to the Company from investing excess cash in such investments.

Accounts payable and accrued liabilities consists of normal monthly expenditures that are required for continued operations. The Company attempts to make payments within thirty to forty days.

The liability component of the Company's convertible debentures consists of financing arrangements with Silver Heights Capital Managements Inc. and Sabre Inc. Please see Note 3 in the June 30, 2009 Notes to Financial Statements for further details.

### **Outstanding Share Data**

The authorized share capital of VRX Worldwide Inc. is unlimited. At June 30, 2009 there were 34,626,145 shares outstanding (December 31, 2008: 34,626,145). There are no warrants outstanding as the common share performance warrants issued under the original Sabre debenture were not re-issued upon restructuring (December 31, 2008: 4,000,000) and 1,850,000 common shares reserved for issuance upon the exercise of stock options currently outstanding under the Stock Option Plan (December 31, 2008: 1,900,000)

### **Critical Accounting Estimates**

The Company's consolidated financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described in Note 2 to the December 31, 2008 annual consolidated financial statements.

While these consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future, and will be able to realize its assets and discharge its liabilities in the normal course of operations, there are uncertainties that cast substantial doubt about the validity of that assumption. The Company has an accumulated deficit from operations of \$8,783,849, a shareholders deficiency of \$993,725 and a working capital deficit of \$589,071. The Company's ability to continue on a going concern basis is dependent upon generating revenues sufficient to cover its operating costs and other obligations, or obtaining additional financing. Management plans to generate positive cash flows from operations by increasing revenues and production efficiencies and reducing operating costs. However, there is no assurance the Company will be successful in achieving these objectives.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expense and the balance sheet classifications used, and such adjustments could be material.

The accounting estimates considered to be significant to the Company include the computation of the carrying values respective of the liability and equity components of convertible debentures; the computation of stock-based compensation expense; and the computation of the provision for or recovery of income taxes.

The Company uses the relative fair value approach to classify the proceeds received from convertible debentures into their liability and equity components. Under this approach an equity value of the convertible debenture is computed using an option pricing model that includes estimates of expected volatility as well as an estimated discount rate, and concurrently a liability value is computed using a net present value methodology based on estimated discount rates. The face value of the convertible debenture is classified as equity or a liability based on the relative value that each of the above computed amounts is to the aggregate of the two amounts. During 2007 the Company classified the \$250,000 of proceeds from the Silver Heights debenture as \$75,000 to equity and \$175,000 to liability.

The Company uses the fair-value method of accounting for stock-based compensation related to incentive stock options granted, modified or settled. Under this method, compensation cost attributable to all incentive stock options granted is measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. In determining the fair value, the Company makes estimates of the expected volatility of the stock as well as an estimated discount rate. Changes to these estimates could result in the fair value of the stock-based compensation being less than or greater than the amount recorded. During the first half of fiscal 2009, the Company recorded a stock-based compensation expense of \$26,340 (2008 - \$33,930).

### **Future Accounting Policy Changes**

In February 2008, the Accounting Standards Board of Canada confirmed that Canadian GAAP for publicly accountable enterprises will be converged with International Financial Reporting Standards (“IFRS”) effective for fiscal years beginning on or after January 1, 2011. The Company will therefore be required to report using IFRS commencing with its unaudited interim consolidated financial statements for the three months ended March 31, 2011, which must include the interim results for the three months ended March 31, 2010 prepared on the same basis. IFRS uses a conceptual framework similar to Canadian GAAP, but there are some significant differences on recognition, measurement and disclosures.

Implementing IFRS will have an impact on accounting, financial reporting and supporting IT systems and processes. It may also have an impact on actual commitments involving GAAP based clauses, long-term employee compensation plans and performance metrics. Accordingly, the Company is in the process of developing its IFRS changeover plan which will include considerations such as measures to provide extensive training to key finance personnel, to review contracts and agreements and to increase the level of awareness and knowledge amongst management, the Board of Directors and the Audit Committee.

At August 27, 2009, the Company completed the initial diagnostic between Canadian GAAP and IFRS. While the effects of IFRS have not yet been fully determined, the Company has identified a number of key areas where it is likely to be impacted by changes in accounting policy. These include:

- Revenue recognition
- Foreign currency translation
- Intangible assets
- Impairment of assets
- Provisions and contingent liabilities
- Presentation of statement of cash flows

A detailed diagnostic is planned for Q3 2009, and no decisions have yet been made with regard to accounting policy choices.

As a first time adopter of IFRS, the Company is required to apply IFRS 1 “First time adoption of International Financial Reporting Standards”. A number of exemptions are available under this Standard which the Company is currently evaluating including electing to use fair value at the transition date as deemed cost for capital assets in certain circumstances.

### **Risks and Uncertainties**

An investment in the Company’s common shares involves a high degree of risk. Investors should carefully consider the cautionary statement under the caption "Forward-Looking Statements" in the beginning of this Report and the other information included herein, before purchasing the Company’s common shares. The risks described in these financial reports are not the only ones that the Company faces. Additional risks that are not yet known or considered immaterial at this time could also impair the Company’s business, financial condition or results of operations in the future. In such case, the trading

price of the Company's common shares could decline, and cause investors to lose all or a portion of their investment.

The Company invoices for its services primarily in US dollar while its operating expenses are paid in Canadian dollars. As such the Company's revenue stream is exposed to foreign currency fluctuations, in particular increases and decreases in the value of the US dollar to the Canadian dollar. It is not possible for the Company to predict such fluctuations or their magnitude.

### **Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and at its corporate website, [www.vrxworldwide.com](http://www.vrxworldwide.com).