

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

(Mark One)

- QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Quarterly period ended September 30, 2019**

- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**

**For the transition period from** \_\_\_\_\_ **to**  
**Commission file number 000-53862**  
**Clinigence Holdings, Inc.**  
**(Formerly known as iGambit Inc.)**  
*(Exact name of small business issuer as specified in its charter)*

**Delaware** **11-3363609**  
*(State or other jurisdiction of* *(I.R.S. Employer*  
*incorporation or organization)* *Identification No.)*

**55 Ivan Allen Jr. Blvd. NW, Suite 875**  
**Atlanta, Georgia, FL 30308**  
*(Address of Principal Executive Offices) (Zip Code)*  
**(678) 607-6393**  
*(Issuer's Telephone Number, Including Area Code)*

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
<b>Common Stock, \$0.001 par value</b>	<b>IGMBD</b>	<b>OTCMKTS</b>

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

The Registrant had 4,627,721 (not including 20 thousand shares held in treasury) shares of the Registrant's \$0.001 par value common stock outstanding.

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**Clinigence Holdings, Inc.**  
**Form 10-Q**

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## PART I — FINANCIAL INFORMATION

### Item 1 — *Financial Statements*

CLINIGENCE HOLDINGS, INC.  
(FORMERLY KNOWN AS IGAMBIT INC.)  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

	SEPTEMBER 30, 2019	DECEMBER 31, 2018
<u>ASSETS</u>		
Current assets		
Cash	\$ 10,029	\$ 369
Accounts receivable	10,000	14,871
Inventory	26,988	27,073
Prepaid expenses	5,971	--
Total current assets	52,988	42,313
Other assets		
Property and equipment, net	1,376	2,118
Intangible assets, net	2,050,113	2,572,015
Deposits	300	2,020
	\$ 2,104,777	\$ 2,618,466
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 740,465	\$ 480,270
Accrued interest on notes payable	27,165	32,265
Amounts due to related parties	128,476	145,367
Deferred revenue	600	9,192
Notes payable	495,593	52,500
Convertible notes payable, net	72,546	377,611
Derivative liability	--	288,242
Total current liabilities	1,464,845	1,385,447
Stockholders' equity		
Preferred stock, \$.001 par value; authorized - 100,000,000 shares;		
issued and outstanding - 0 shares in 2019 and 2018, respectively	--	--
Common stock, \$.001 par value; authorized - 800,000,000 shares;		
797,108 and 429,720 shares issued and 777,108 and 409,720 shares outstanding (net of treasury shares) as of September 30, 2019 and December 31, 2018, respectively	797	430
Additional paid-in capital	15,605,460	14,695,403
Accumulated deficit	(13,966,325)	(12,462,814)

	1,639,932	2,233,019
Less: Treasury stock; 20,000 shares, at cost	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Total stockholders' equity	<u>639,932</u>	<u>1,233,019</u>
	\$ <u><u>2,104,777</u></u>	\$ <u><u>2,618,466</u></u>

See accompanying notes to the condensed consolidated financial statements.

CLINIGENCE HOLDINGS, INC.  
(FORMERLY KNOWN AS IGAMBIT INC.)  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sales	\$ 7,550	\$ 22,582	\$ 19,175	\$ 30,500
Cost of sales	<u>10,042</u>	<u>7,834</u>	<u>26,336</u>	<u>23,658</u>
Gross profit (loss)	<u>(2,492)</u>	<u>14,748</u>	<u>(7,161)</u>	<u>6,842</u>
Operating expenses				
General and administrative expenses	187,295	207,793	576,512	752,930
Amortization	<u>173,967</u>	<u>173,967</u>	<u>521,902</u>	<u>521,902</u>
Total operating expenses	<u>361,262</u>	<u>381,760</u>	<u>1,098,414</u>	<u>1,274,832</u>
Loss from operations	<u>(363,754)</u>	<u>(367,012)</u>	<u>(1,105,575)</u>	<u>(1,267,990)</u>
Other income (expenses)				
Change in fair value of derivative liability	--	76,091	98,944	(128,100)
Loss on extinguishment of debt	--	(95,464)	(262,566)	(233,734)
Interest expense	<u>(9,995)</u>	<u>(222,134)</u>	<u>(234,314)</u>	<u>(314,975)</u>
Total other income (expenses)	<u>(9,995)</u>	<u>(241,507)</u>	<u>(397,936)</u>	<u>(676,809)</u>
Net loss	\$ <u><u>(373,749)</u></u>	\$ <u><u>(608,519)</u></u>	\$ <u><u>(1,503,511)</u></u>	\$ <u><u>(1,944,799)</u></u>
Basic and fully diluted loss per common share:				
Net loss per common share	\$ <u><u>(.48)</u></u>	\$ <u><u>(2.09)</u></u>	\$ <u><u>(2.13)</u></u>	\$ <u><u>(7.39)</u></u>
Weighted average common shares outstanding - basic and fully diluted	<u><u>777,108</u></u>	<u><u>291,514</u></u>	<u><u>704,331</u></u>	<u><u>263,269</u></u>

See accompanying notes to the condensed consolidated financial statements.

CLINIGENCE HOLDINGS, INC.  
(FORMERLY KNOWN AS IGAMBIT INC.)  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
(UNAUDITED)

	<u>Common stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Treasury</u>	<u>Totals</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u> <u>Capital</u>	<u>Deficit</u>	<u>Stock</u>	
Balances, December 31, 2017	252,393	\$ 252	\$ 13,017,292	\$ (9,648,569)	\$ (1,000,000)	\$ 2,368,975
Common stock issued for cash	1,500	2	14,998	--	--	15,000
Notes payable and accrued interest converted to common stock	10,688	11	348,092	--	--	348,103
Net loss				(610,033)		(610,033)
Balances, March 31, 2018	<u>264,581</u>	<u>\$ 265</u>	<u>\$ 13,380,382</u>	<u>\$ (10,258,602)</u>	<u>\$ (1,000,000)</u>	<u>\$ 2,122,045</u>
Common stock issued for cash	1,500	2	14,998	--	--	15,000
Notes payable and accrued interest converted to common stock	20,236	20	365,795	--	--	365,815
Common stock issued for services	6,000	6	88,794	--	--	88,800
Net loss				(726,247)		(726,247)
Balances, June 30, 2018	<u>292,317</u>	<u>\$ 293</u>	<u>\$ 13,849,969</u>	<u>\$ (10,984,849)</u>	<u>\$ (1,000,000)</u>	<u>\$ 1,865,413</u>
Notes payable and accrued interest converted to common stock	34,371	34	308,875	--	--	308,909
Net loss				(608,519)		(608,519)
Balances, September 30, 2018	<u>326,688</u>	<u>\$ 327</u>	<u>\$ 14,158,844</u>	<u>\$ (11,593,368)</u>	<u>\$ (1,000,000)</u>	<u>\$ 1,565,803</u>
Balances, December 31, 2018	429,720	\$ 430	\$ 14,695,403	\$ (12,462,814)	\$ (1,000,000)	\$ 1,233,019

Compensation for vested stock options	--	--	1,025	--	--	1,025
Notes payable and accrued interest converted to common stock	293,455	293	548,515	--	--	548,808
Net loss				(559,397)		(559,397)
Balances, March 31, 2019	<u>723,175</u>	<u>\$ 723</u>	<u>\$ 15,244,943</u>	<u>\$ (13,022,211)</u>	<u>\$ (1,000,000)</u>	<u>\$ 1,223,455</u>
Notes payable and accrued interest converted to common stock	71,933	72	355,519	--	--	355,591
Amounts due to related parties converted to common stock	2,000	2	4,998	--	--	5,000
Net loss				(570,365)		(570,365)
Balances, June 30, 2019	<u>797,108</u>	<u>\$ 797</u>	<u>\$ 15,605,460</u>	<u>\$ (13,592,576)</u>	<u>\$ (1,000,000)</u>	<u>\$ 1,013,681</u>
Net loss				(373,749)		(373,749)
Balances, September 30, 2019	<u>797,108</u>	<u>\$ 797</u>	<u>\$ 15,605,460</u>	<u>\$ (13,966,325)</u>	<u>\$ (1,000,000)</u>	<u>\$ 639,932</u>

See accompanying notes to the condensed consolidated financial statements.

CLINIGENCE HOLDINGS, INC.  
(FORMERLY KNOWN AS IGAMBIT INC.)  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30,  
(UNAUDITED)

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (1,503,511)	\$ (1,944,799)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	742	1,295
Amortization	521,902	521,902
Non cash interest expense	231,563	312,412
Stock-based compensation expense	1,025	88,800
Loss on extinguishment of debt	262,566	233,734
Change in fair value of derivative liability	(98,944)	128,100
Changes in operating assets and liabilities:		
Accounts receivable	4,871	(19,727)
Inventory	85	--
Prepaid expenses and other current assets	(5,971)	39,377
Deposits	1,720	--
Accounts payable and accrued expenses	260,195	(68,928)
Deferred revenue	(8,592)	(4,933)
 NET CASH USED IN OPERATING ACTIVITIES	 (332,349)	 (712,767)
 CASH FLOWS FROM INVESTING ACTIVITIES:	 --	 --
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of convertible debentures	168,500	676,500
Repayments of convertible debentures	(257,693)	--
Proceeds from sale of common stock	--	30,000
Proceeds from notes payable	443,093	--
Proceeds from related party loans	11,254	--
Repayments of related party loans	(23,145)	--
 NET CASH PROVIDED BY FINANCING ACTIVITIES	 342,009	 706,500
 NET INCREASE (DECREASE) IN CASH	 9,660	 (6,267)

CASH - BEGINNING OF PERIOD	<u>369</u>	<u>9,449</u>
CASH - END OF PERIOD	\$ <u>10,029</u>	\$ <u>3,182</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest	\$ 2,752	\$ 2,563
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Non-cash investing and financing activities:

Debt discount related to derivative liability	\$ 222,500	\$ 533,249
Notes payable converted to common stock	326,189	387,000
Common stock issued in payment of accrued interest	19,868	23,746

See accompanying notes to the condensed consolidated financial statements.

**CLINIGENCE HOLDINGS, INC.**  
**(FORMERLY KNOWN AS IGAMBIT INC.)**  
**Notes to Condensed Consolidated Financial Statements**  
**Nine Months Ended September 30, 2019 and 2018**

**Note 1 - Organization and Basis of Presentation**

The consolidated financial statements presented are those of Clinigence Holdings, Inc., formerly known as iGambit Inc., (the “Company”) and its wholly-owned subsidiary, HealthDatix, Inc. (“HealthDatix”). The name was changed to Clinigence Holdings, Inc. on October 29, 2019. The Company is a holding company which seeks out acquisitions of operating companies in technology markets. HealthDatix, Inc. is engaged in the business of streamlining the process of managing information in the document-intensive medical field for customers throughout the United States. Clinigence Holdings, Inc. is a healthcare information technology company that provides cloud-based platforms that enable healthcare organizations to shift to value-based care reimbursements and to provide population health management (See Note 16).

**Interim Financial Statements**

The following (a) condensed consolidated balance sheet as of December 31, 2018, which has been derived from audited financial statements, and (b) the unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2019 are not necessarily indicative of results that may be expected for the year ending December 31, 2019. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2018 included in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (“SEC”) on April 16, 2019.

**Note 2 – Summary of Significant Accounting Policies**

**Principles of Consolidation**

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

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

### **Fair Value Measurements**

The Company adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures*, which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short- and long-term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

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

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The estimated fair value of the derivative liability was calculated using the Black-Scholes option pricing model. The Company uses Level 3 inputs to value its derivative liabilities. The following table provides a reconciliation of the beginning and ending balances for the major classes of assets and liabilities measured at fair value using significant unobservable inputs (Level 3) and reflects gains and losses for the nine months ended September 30, 2019 and year ended December 31, 2018.

	<u>2019</u>	<u>2018</u>
Liabilities:		
Balance of derivative liabilities - beginning of period	\$ 288,242	\$ 66,059
Issued	292,913	1,122,211
Converted	(482,211)	(928,773)

Change in fair value recognized in operations	(98,944)	28,745
Balance of derivative liabilities - end of period	\$ <u>          --</u>	\$ <u>  288,242</u>

### **Convertible Instruments**

The Company evaluates and accounts for conversion options embedded in convertible instruments in accordance with ASC 815, *Derivatives and Hedging Activities*.

Applicable GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under other GAAP with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when it has been determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: The Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

The Company accounts for the conversion of convertible debt when a conversion option has been bifurcated using the general extinguishment standards. The debt and equity linked derivatives are removed at their carrying amounts and the shares issued are measured at their then-current fair value, with any difference recorded as a gain or loss on extinguishment of the two separate accounting liabilities.

### **Revenue Recognition**

Effective January 1, 2018, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from the commercial sales of products by: (1) identify the contract (if any) with a customer; (2) identify the performance obligations in the contract (if any); (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract (if any); and (5) recognize revenue when each performance obligation is satisfied. For the comparative periods, revenue has not been adjusted and continues to be reported under ASC 605 — Revenue Recognition. Under ASC 605, revenue is recognized when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) the performance of service has been rendered to a customer or delivery has occurred; (3) the amount of fee to be paid by a customer is fixed and determinable; and (4) the collectability of the fee is reasonably assured. The Company has no outstanding contracts with any of its customers. There was

no impact on the Company's financial statements as a result of adopting Topic 606 for the nine months ended September 30, 2019 and 2018.

Clinigence Holdings, Inc. is a holding company and has no sources of revenue.

HealthDatix's revenues are derived primarily from its Software as a Service (SaaS) offerings that are rendered to healthcare providers. HealthDatix recognizes revenues when the products or services have been provided or delivered, the fees charged are fixed or determinable, HealthDatix and its customers understand the specific nature and terms of the agreed upon transactions, and collectability is reasonably assured.

### **Advertising Costs**

The Company expenses advertising costs as incurred. Advertising costs of \$329 and \$0 were charged to operations for the nine months ended September 30, 2019 and 2018, respectively.

### **Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include checking and money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

### **Accounts Receivable**

The Company analyzes the collectability of accounts receivable from continuing operations each accounting period and adjusts its allowance for doubtful accounts accordingly. A considerable amount of judgment is required in assessing the realization of accounts receivables, including the creditworthiness of each customer, current and historical collection history and the related aging of past due balances. The Company evaluates specific accounts when it becomes aware of information indicating that a customer may not be able to meet its financial obligations due to deterioration of its financial condition, lower credit ratings, bankruptcy or other factors affecting the ability to render payment.

### **Inventory**

Inventory consisting of finished products is stated at the lower of cost or net realizable value.

### **Property and equipment and depreciation**

Property and equipment are stated at cost. Maintenance and repairs are charged to expense when incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is credited or charged to income. Depreciation for both financial reporting

and income tax purposes is computed using combinations of the straight line and accelerated methods over the estimated lives of the respective assets as follows:

Office equipment and fixtures	5 - 7 years
Computer hardware	5 years
Computer software	3 years
Development equipment	5 years

### **Amortization**

Intangible assets are amortized using the straight line method over the estimated lives of the respective assets as follows:

Software	5 years
Technology license	5 years
Purchased in process R&D	Indefinite
Customer contracts	10 years

### **Long-Lived Assets**

The Company assesses the valuation of components of its property and equipment and other long-lived assets whenever events or circumstances dictate that the carrying value might not be recoverable. The Company bases its evaluation on indicators such as the nature of the assets, the future economic benefit of the assets, any historical or future profitability measurements and other external market conditions or factors that may be present. If such factors indicate that the carrying amount of an asset or asset group may not be recoverable, the Company determines whether an impairment has occurred by analyzing an estimate of undiscounted future cash flows at the lowest level for which identifiable cash flows exist. If the estimate of undiscounted cash flows during the estimated useful life of the asset is less than the carrying value of the asset, the Company recognizes a loss for the difference between the carrying value of the asset and its estimated fair value, generally measured by the present value of the estimated cash flows.

### **Deferred Revenue**

Deposits from customers are not recognized as revenues, but as liabilities, until the following conditions are met: revenues are realized when cash or claims to cash (receivable) are received in exchange for goods or services or when assets received in such exchange are readily convertible to cash or claim to cash or when such goods/services are transferred. When such income item is earned, the related revenue item is recognized, and the deferred revenue is reduced. To the extent revenues are generated from the Company's support and maintenance services, the Company recognizes such revenues when services are completed and billed. The Company has received deposits from its various customers that have been recorded as deferred revenue and presented as current liabilities in the amount of \$600 and \$9,192 as of September 30, 2019 and December 31, 2018, respectively.

### **Stock-Based Compensation**

The Company accounts for its stock-based awards granted under its employee compensation plan in accordance with ASC Topic No. 718-20, *Awards Classified as Equity*, which requires the measurement of compensation expense for all share-based compensation granted to employees and non-employee directors at fair value on the date of grant and recognition of compensation expense over the related service period for awards expected to vest. The Company uses the Black-Scholes option pricing model to estimate the fair value of its stock options and warrants. The Black-Scholes option pricing model requires the input of highly subjective assumptions including the expected stock price volatility of the Company's common stock, the risk free interest rate at the date of grant, the expected vesting term of the grant, expected dividends, and an assumption related to forfeitures of such grants. Changes in these subjective input assumptions can materially affect the fair value estimate of the Company's stock options and warrants.

### **Income Taxes**

The Company accounts for income taxes using the asset and liability method in accordance with ASC Topic No. 740, *Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse.

The Company applies the provisions of ASC Topic No. 740 for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the Company's financial statements. In accordance with this provision, tax positions must meet a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position.

### **Recent Accounting Pronouncements**

We have reviewed other recent accounting pronouncements and concluded they are either not applicable to the business, or no material effect is expected on the condensed consolidated financial statements as a result of future adoption.

### **Note 3 – Going Concern**

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has an accumulated deficit of \$13,966,325, and a working capital deficit of \$1,411,857 at September 30, 2019. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to obtain necessary equity financing and ultimately from generating revenues from its newly acquired subsidiary to continue operations. The Company expects that working capital requirements will continue to be funded through a combination of its existing funds and further issuances of securities. Working capital requirements are expected to increase in line with the growth of the business. Existing

working capital, further advances and debt instruments, and anticipated cash flow are expected to be adequate to fund operations over the next twelve months. The Company has no lines of credit or other bank financing arrangements. The Company has financed operations to date through the proceeds of a private placement of equity and debt instruments. In connection with the Company's business plan, management anticipates additional increases in operating expenses and capital expenditures relating to: (i) developmental expenses associated with a start-up business and (ii) marketing expenses. The Company intends to finance these expenses with further issuances of securities, and debt issuances. Thereafter, the Company expects it will need to raise additional capital and generate revenues to meet long-term operating requirements. Additional issuances of equity or convertible debt securities will result in dilution to current stockholders. Further, such securities might have rights, preferences or privileges senior to common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict business operations.

The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

#### **Note 4 – Property and Equipment**

Property and equipment are carried at cost and consist of the following at September 30, 2019 and December 31, 2018:

	<u>2019</u>	<u>2018</u>
Office equipment and fixtures	\$ 10,964	\$ 10,964
Less: Accumulated depreciation	<u>9,588</u>	<u>8,846</u>
	<u>\$ 1,376</u>	<u>\$ 2,118</u>

Depreciation expense of \$742 and \$1,295 was charged to operations for the nine months ended September 30, 2019 and 2018, respectively.

#### **Note 5 – Intangible Assets**

Intangible assets from the acquisitions of HealthDatix and ECSL consist of the following at September 30, 2019 and December 31, 2018:

	<u>2019</u>	<u>2018</u>	<u>Life</u>
Software	\$ 156,925	\$ 156,925	5 years
Customer contracts	644,846	644,846	10 years

FDA 510K clearance	1,396,000	1,396,000	5 years
Technology license	1,000,000	1,000,000	5 years
In process research and development	<u>604,000</u>	<u>604,000</u>	Indefinite
	3,801,771	3,801,771	
Less: Accumulated amortization	<u>1,751,658</u>	<u>1,229,756</u>	
	\$ <u><u>2,050,113</u></u>	\$ <u><u>2,572,015</u></u>	

Amortization expense of \$521,902 was charged to operations for the nine months ended September 30, 2019 and 2018, respectively.

### Note 6 - Earnings (Loss) Per Common Share

The Company calculates net income (loss) per common share in accordance with ASC 260 "Earnings Per Share" ("ASC 260"). Basic and diluted net earnings (loss) per common share was determined by dividing net earnings (loss) applicable to common stockholders by the weighted average number of common shares outstanding during the period. The Company's potentially dilutive shares, which include outstanding common stock options, common stock warrants, and convertible debt have not been included in the computation of diluted net loss per share for the nine months ended September 30, 2019 and 2018 as the result would be anti-dilutive.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Stock options	2,000,000	8,463,000	2,000,000	8,463,000
Stock warrants	1,625,000	1,900,000	1,625,000	1,900,000
Convertible debt	<u>600</u>	<u>410,802</u>	<u>600</u>	<u>410,802</u>
Total shares excluded from calculation	<u><u>3,625,600</u></u>	<u><u>10,773,802</u></u>	<u><u>3,625,600</u></u>	<u><u>10,773,802</u></u>

### Note 7 – Stock Based Compensation

#### Options

In 2006, the Company adopted the 2006 Long-Term Incentive Plan (the "2006 Plan"). Awards granted under the 2006 Plan have a ten-year term and may be incentive stock options, non-qualified stock options or warrants. The awards are granted at an exercise price equal to the fair market value on the date of grant and generally vest over a three or four year period. The Plan expired on December 31, 2009, therefore as of June 30, 2019, there was no unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the 2006 plan.

The 2006 Plan provided for the granting of options to purchase up to 10,000,000 shares of common stock. 8,146,900 options have been issued under the plan to date of which

7,157,038 have been exercised and 692,962 have expired to date. There were 296,900 options outstanding under the 2006 Plan on its expiration date of December 31, 2009. All options issued subsequent to this date were not issued pursuant to any plan.

Stock option activity during the nine months ended September 30, 2019 and 2018 follows:

	<u>Options Outstanding</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Grant-Date Fair Value</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>
Options outstanding at December 31, 2017	8,463,000	\$ 0.07	\$ 0.07	7.41
No option activity	--	--	--	
Options outstanding at September 30, 2018	<u>8,463,000</u>	<u>\$ 0.07</u>	0.07	6.66
Options outstanding at December 31, 2018	<u>20,500,000</u>	<u>0.03</u>	0.03	7.52
Options cancelled (1)	(18,250,000)	0.03	--	
Options expired	<u>(250,000)</u>	<u>0.05</u>	--	
Options outstanding at September 30, 2019	<u>2,000,000</u>	<u>\$ 0.07</u>	\$ 0.07	6.49

(1) Options to iGambit management and key consultants were cancelled in connection with the reverse stock split prior to the reverse merger agreement consummated on October 29, 2019.

Options outstanding at September 30, 2019 consist of:

<u>Date Issued</u>	<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
March 24, 2015	200,000	200,000	\$0.01	March 24, 2020
June 6, 2017	<u>1,800,000</u>	<u>1,800,000</u>	\$0.07	June 6, 2027
Total	<u>2,000,000</u>	<u>2,000,000</u>		

### Warrants

In addition to our 2006 Long Term Incentive Plan, we have issued and outstanding compensatory warrants to two consultants entitling the holders to purchase a total of 275,000 shares of our common stock at an average exercise price of \$0.94 per share.

Warrants to purchase 25,000 shares of common stock vest upon 6 months after the Company engages in an IPO, have an exercise price of \$3.00 per share, and expire 2 years after the Company engages in an IPO. Warrants to purchase 250,000 shares of common stock vest 100,000 shares on issuance (June 1, 2009), and 50,000 shares on each of the following three anniversaries of the date of issuance, have exercise prices ranging from \$0.50 per share to \$1.15 per share, and expired on June 1, 2019. The issuance of the compensatory warrants was not submitted to our shareholders for their approval.

Warrant activity during the nine months ended September 30, 2019 and 2018 follows:

	<u>Warrants Outstanding</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Grant- Date Fair Value</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>
Warrants outstanding at December 31, 2017	400,000	\$ 0.62	\$ 0.10	3.27
Warrant granted	<u>1,500,000</u>	<u>0.05</u>	--	
Warrants outstanding at September 30, 2018	<u>1,900,000</u>	<u>\$ 0.21</u>	\$ 0.12	3.49
Warrants outstanding at December 31, 2018	1,875,000	\$ 0.12	\$ 0.12	3.24
Warrants expired	<u>(250,000)</u>	<u>0.73</u>	--	
Warrants outstanding at September 30, 2019	<u>1,625,000</u>	<u>\$ 0.03</u>	\$ 0.03	2.90

Warrants outstanding at September 30, 2019 consist of:

<u>Date Issued</u>	<u>Number Outstanding</u>	<u>Number Exercisable</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
January 1, 2017	50,000	50,000	\$0.25	October 10, 2021
January 1, 2017	50,000	50,000	\$0.50	November 7, 2021
January 5, 2017	25,000	25,000	\$0.50	January 5, 2022
February 5, 2018	750,000	750,000	\$0.05	February 5, 2023
April 27, 2018	750,000	750,000	\$0.05	April 27, 2023
Total	<u>1,625,000</u>	<u>1,625,000</u>		

## **Note 8 – Convertible Debt**

### **Convertible Notes Payable**

On January 10, 2018, the Company issued an 8% convertible note in the aggregate principal amount of \$240,000, convertible into shares of the Company's common stock, and includes a back-ended note with principal of \$120,000 that was funded on July 10, 2018. The back-ended Note, including accrued interest is due July 10, 2019 and is convertible any time after 180 days at the option of the holder into shares of the Company's

common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 15 trading day period ending on the latest complete trading day prior to the conversion date. During the nine months ended September 30, 2019, the noteholder converted \$71,732 of the principal balance and accrued interest of \$5,366 to 97,388 shares of common stock. The principal balance of the note of \$94,268, accrued interest of \$7,417, and prepayment penalty of \$5,000 were paid on June 24, 2019 with proceeds from the Clinigence note (See note 10 below).

On March 6, 2018, the Company issued an 8% convertible note in the aggregate principal amount of \$126,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due March 6, 2019 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the lowest trading price during the 20 trading day period ending on the latest complete trading day prior to and including the conversion date. During the nine months ended September 30, 2019, the noteholder converted the remaining principal balance of \$60,000 and accrued interest of \$4,342 to 70,893 shares of common stock.

On May 3, 2018, the Company entered into a Convertible Promissory Note pursuant to which the Company borrowed in the aggregate principal amount of \$83,500. The convertible note is due 12 months after issuance and bears interest at a rate of 8%. The Note is convertible into shares of common stock of the Company 180 days following the date of funding and thereafter. The conversion price shall be subject to a discount of 35% applied to the average of the three lowest closing bid prices of the Common Stock during the prior twenty (20) trading day period. The Investor will be limited to convert no more than 4.99% of the issued and outstanding Common Stock at the time of conversion at any one time. At any time during the period beginning on the date of the Note and ending on the date which is 180 days thereafter, the Company may repay the Note by paying an amount equal to the then outstanding amount multiplied by 130%. During the nine months ended September 30, 2019, the noteholder converted the remaining principal balance of \$53,957 and accrued interest of \$4,600 to 51,349 shares of common stock.

On June 25, 2018, the Company issued an 8% convertible note in the aggregate principal amount of \$53,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due April 15, 2019 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 10 trading day period ending on the latest complete trading day prior to the conversion date. During the nine months ended September 30, 2019, the noteholder converted the remaining principal balance of \$38,000 and accrued interest of \$2,120 to 29,719 shares of common stock.

On August 13, 2018, the Company issued an 8% convertible note in the aggregate principal amount of \$53,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due May 30, 2019 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 10 trading day period ending on the latest complete trading day prior to the conversion date. During the nine

months ended September 30, 2019, the noteholder converted the principal balance of the note and accrued interest of \$2,120 to 52,495 shares of common stock.

On September 17, 2018, the Company issued an 8% convertible note in the aggregate principal amount of \$33,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due June 30, 2019 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 10 trading day period ending on the latest complete trading day prior to the conversion date. During the nine months ended September 30, 2019, the noteholder converted the principal balance of the note and accrued interest of \$1,320 to 63,525 shares of common stock.

On January 3, 2019, the Company issued an 8% convertible note in the aggregate principal amount of \$38,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due October 30, 2019 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 10 trading day period ending on the latest complete trading day prior to the conversion date. The principal balance of the note of \$38,000, accrued interest of \$1,659, and prepayment penalty of \$7,600 were paid on June 24, 2019 with proceeds from the Clinigence note (See note 10 below).

On February 15, 2019, the Company issued an 8% convertible note in the aggregate principal amount of \$38,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due November 30, 2019 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 10 trading day period ending on the latest complete trading day prior to the conversion date. The principal balance of the note of \$38,000, accrued interest of \$1,259, and prepayment penalty of \$7,600 were paid on June 24, 2019 with proceeds from the Clinigence note (See note 10 below).

On March 29, 2019, the Company issued an 8% convertible note in the aggregate principal amount of \$38,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due February 15, 2020 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 10 trading day period ending on the latest complete trading day prior to the conversion date. The principal balance of the note of \$38,000, accrued interest of \$810, and prepayment penalty of \$7,600 were paid on June 24, 2019 with proceeds from the Clinigence note (See note 10 below).

On May 22, 2019, the Company issued an 8% convertible note in the aggregate principal amount of \$38,000, convertible into shares of the Company's common stock. The Note, including accrued interest is due March 15, 2020 and is convertible any time after 180 days at the option of the holder into shares of the Company's common stock at 65% of the average stock price of the lowest 3 closing bid prices during the 10 trading day period

ending on the latest complete trading day prior to the conversion date. The principal balance of the note of \$38,000, accrued interest of \$280, and prepayment penalty of \$7,600 were paid on June 24, 2019 with proceeds from the Clinigence note (See note 10 below).

The Company recorded a debt discount related to identified embedded derivatives relating to conversion features and a reset provisions (see Note 9) based fair values as of the inception date of the Notes. The calculated debt discount equaled the face of the 8% note dated January 10, 2018 and was amortized through the date the convertible debt was fully extinguished. The calculated debt discount equaled the face of the 8% note dated March 6, 2018 and was amortized through the date the convertible debt was fully extinguished. The calculated debt discount equaled the face of the 8% note dated May 3, 2018 and was amortized through the date the convertible debt was fully extinguished. The calculated debt discount equaled the face of the 8% note dated June 25, 2018 and was amortized through the date the convertible debt was fully extinguished. The calculated debt discount equaled the face of the 8% note dated August 13, 2018 and was amortized through the date the convertible debt was fully extinguished. The calculated debt discount equaled the face of the 8% note dated September 17, 2018 and was amortized through the date the convertible debt was fully extinguished. Interest expense on the convertible notes of \$218,454 and \$119,603 was recorded for the nine months ended September 30, 2019 and 2018, respectively.

The Company issued convertible debentures in the amount of \$75,000 to three individuals. The debentures are convertible into 75,000 shares of common stock for up to 5 years, at the holders' option, at an exercise price of \$.50 and \$.25, respectively. The debentures mature on the earlier of the closing of a subsequent financing event by the Company resulting in gross proceeds of at least \$10,000,000 or three years from the date of issuance. The debentures bear interest at a rate of 10%. A beneficial conversion feature was not recorded as the fair market value of the Company's common stock was less than the exercise prices at the dates of issuance and through the end of the year. Interest expense on the convertible debentures of \$5,589 was recorded for the nine months ended September 30, 2019 and 2018, respectively.

Convertible notes payable at September 30, 2019 and December 31, 2018 are summarized as follows:

	<u>2019</u>	<u>2018</u>
Total face value of notes	\$ 75,000	\$ 478,957
Less: Discount	<u>2,454</u>	<u>101,346</u>
Balance	<u>\$ 72,546</u>	<u>\$ 377,611</u>

### **Note 9 – Derivative Liability**

The Company has determined that the conversion feature embedded in the convertible notes described in Note 8 contain a potential variable conversion amount which constitutes

a derivative which has been bifurcated from the note and recorded as a derivative liability at fair value, with a corresponding discount recorded to the associated debt. The excess of the derivative value over the face amount of the note is recorded immediately to interest expense at inception. The Company used the Binomial Option Pricing model to value the conversion features.

The Company used Level 3 inputs for its valuation methodology for the conversion option liability in determining the fair value using a Black-Scholes option-pricing model with the following assumption inputs:

	September 30, <u>2019</u>	December 31, <u>2018</u>
Annual dividend yield	--	--
Expected life (years)	0.78 - 1.0	0.77 - 1.0
Risk-free interest rate	2.44% - 2.52%	2.07% - 2.57%
Expected volatility	274% - 294%	257% - 293%

Based upon ASC 840-15-25 (EITF Issue 00-19, paragraph 11) the Company has adopted a sequencing approach regarding the application of ASC 815-40 to its outstanding convertible notes. Pursuant to the sequencing approach, the Company evaluates its contracts based upon earliest issuance date.

#### **Note 10 – Notes Payable**

On June 24, 2019, the Company entered into a secured promissory note with Clinigence Holdings, Inc. (“Clinigence”) for proceeds of \$393,093, of which \$293,093 was utilized to pay outstanding principal, accrued interest and penalties of certain convertible notes payable, and \$100,000 was utilized for working capital. The note bears interest at a rate of 6% and is due upon the earlier of December 24, 2019 or the Merger Agreement (See note 16). The Company entered into two additional secured promissory notes with Clinigence for proceeds of \$25,000 each on August 6, 2019 and September 9, 2019, respectively under the same terms as the June 24, 2019 note.

Notes payable at September 30, 2019 and December 31, 2018 includes loans to HealthDatix from 3 individuals totaling \$52,500. The loans do not bear interest and there are no specific terms for repayment.

#### **Note 11 – Stock Transactions**

##### **Designation of Preferred Stock**

On August 2, 2018, the Company filed a Certificate of Designation with the Delaware Division of Corporations whereby the Company designated a Series A Preferred Stock and issued 1,000 shares to the Company’s CEO. The holders of Series A Preferred Stock will have voting rights, when combined with their existing holdings of the Company’s common stock, that entitle them to have an aggregate of 51% of the votes eligible to be cast by all

stockholders with respect to all matters brought before a vote of the stockholders of the Company.

### **Reverse Stock Split**

On October 25, 2019, the Company effected a 1-for-500 reverse stock split of its common stock. On the effective date of the reverse stock split, each 500 shares of outstanding common stock were reduced to one share of common stock. The share numbers have been adjusted on a retrospective basis to reflect this 1-for-500 reverse stock split.

### **Common Stock Issued**

On August 8, 2018, the Board unanimously approved an amendment to the Company's Articles of Incorporation to increase the number of shares of Common Stock which the Company is authorized to issue from Four hundred million (400,000,000) to Eight Hundred Million (800,000,000) shares of Common Stock, \$0.001 par value per share.

In connection with the convertible notes payable (see Note 8 above) the noteholders converted \$326,189 of principal balance and \$19,868 of accrued interest to 365,388 shares of common stock during the nine months ended September 30, 2019. The stock issued was determined based on the terms of the convertible notes.

### **Note 12 - Income Taxes**

A full valuation allowance was recorded against the Company's net deferred tax assets. A valuation allowance must be established if it is more likely than not that the deferred tax assets will not be realized. This assessment is based upon consideration of available positive and negative evidence, which includes, among other things, the Company's most recent results of operations and expected future profitability. Based on the Company's cumulative losses in recent years, a full valuation allowance against the Company's deferred tax assets has been established as Management believes that the Company will not realize the benefit of those deferred tax assets.

### **Note 13 – Concentrations and Credit Risk**

#### **Sales and Accounts Receivable**

HealthDatix had sales to two customers which accounted for approximately 15% and 14%, respectively of HealthDatix's total sales for the nine months ended September 30, 2019. One customer accounted for 100% of accounts receivable at September 30, 2019.

HealthDatix had sales to two customers which accounted for approximately 66% and 32%, respectively of HealthDatix's total sales for the nine months ended September 30, 2018. The two customers accounted for approximately 77% and 19%, respectively of accounts receivable at September 30, 2018.

## **Cash**

Cash is maintained at a major financial institution. Accounts held at U.S. financial institutions are insured by the FDIC up to \$250,000. Cash balances could exceed insured amounts at any given time, however, the Company has not experienced any such losses. The Company did not have any interest-bearing accounts at September 30, 2019 and December 31, 2018, respectively.

## **Note 14 - Related Party Transactions**

### **Amounts Due to Related Parties**

Amounts due to related parties with balances of \$128,476 and \$145,367 at September 30, 2019 and December 31, 2018, respectively, do not bear interest and are payable on demand. The Company's former subsidiary, Arcmail owed amounts on a credit card that is guaranteed by the husband of the Company's Executive Vice President, who was held personally responsible by the credit card company for the unpaid balance.

## **Note 15 – Commitments and Contingencies**

### **Lease Commitment**

The Company was obligated under an operating lease for its premises in Smithtown, New York that expired on May 31, 2019. The lease was not renewed and the officers of the Company are providing office space to the Company at no charge.

Rent expense of \$17,711 and \$21,363 was charged to operations for the nine months ended September 30, 2019 and 2018, respectively.

### **Employment Arrangements With Executive Officers**

Effective April 1, 2017, in connection with the acquisition of HealthDatix Inc., the Company entered into employment agreements with Jerry Robinson, MaryJo Robinson, and Kathleen Shepherd each under a three-year term at a base salary of \$75,000 per year, bonuses based upon objectives set by the Company, and participation in all benefit programs generally made available to HealthDatix employees. The employment agreements restrict the executive officers from engaging in certain competitive activities for the greater of 60 months from the date of the agreements or two years following the termination of their respective employment.

## **Note 16 – Subsequent Events**

On August 8, 2019, iGambit, Inc. entered into an Agreement and Plan of Merger (the "Reverse Merger Agreement") by and among Clinigence Holdings, Inc., a Delaware corporation ("Clinigence"), iGambit, Inc., a Delaware corporation ("iGambit" or the "Company"), HealthDatix, Inc., a Delaware corporation and wholly owned subsidiary of

iGambit (“Merger Sub”), and John Salerno, an individual and holder of shares of iGambit capital stock constituting a majority of the votes eligible to be cast by all of the stockholders of iGambit (the “Signing Stockholder”). The transactions contemplated by the Reverse Merger Agreement were consummated on October 29, 2019 (the “Closing”).

The Reverse Merger Agreement provided for the merger of Merger Sub with and into Clinigence, hereafter referred to as the “Acquisition.” As a result of the Acquisition, Merger Sub ceased to exist, and Clinigence became the surviving corporation and a direct wholly owned subsidiary of iGambit, and the former stockholders of Clinigence (the “Clinigence Stockholders”) have a direct equity ownership and controlling interest in iGambit. Merger Sub was renamed Clinigence Health Inc. iGambit was renamed Clinigence Holdings, Inc. Merger Sub was originally incorporated in Delaware on October 17, 2013 and had no operating activity prior to the reported transaction.

At the Closing, all of the outstanding shares of Clinigence common stock (the “Clinigence Shares”) were converted solely into the right to receive a number of shares of iGambit common stock (the “Company Shares”) such that the holders of outstanding equity of Clinigence immediately prior to the Closing own 85%, on a fully-diluted basis, of the outstanding equity of iGambit immediately following the Closing, and holders of outstanding equity of iGambit immediately prior to the Closing own 15%, on a fully-diluted basis, of the outstanding equity of iGambit. For each share of Clinigence Shares, each former Clinigence Stockholder received 0.22489093 shares of Company Shares after giving effect to the reverse stock split.

In connection with the Acquisition, the Company amended its certificate of incorporation to (i) effect a reverse stock split of the Company Shares at a ratio of 1 for 500 (the “Reverse Split Certificate of Amendment”), and (ii) change its name to Clinigence Holdings, Inc. to better align with the business of Clinigence (the “Name Change Certificate of Amendment”).

## **Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations**

### **FORWARD LOOKING STATEMENTS**

This Form 10-Q includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated by reference in this Form 10-Q which address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), finding suitable merger or acquisition candidates, expansion and growth of the Company’s business and operations, and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions

and expected future developments as well as other factors it believes are appropriate in the circumstances.

Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements. Factors that could adversely affect actual results and performance include, among others, potential fluctuations in quarterly operating results and expenses, government regulation, technology change and competition. Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligations to update any such forward-looking statements.

## **INTRODUCTION**

On August 8, 2019, the Company entered into an Agreement and Plan of Merger (the “Reverse Merger Agreement”) by and among Clinigence Holdings, Inc., a Delaware corporation (“Clinigence”), iGambit, Inc., a Delaware corporation (“iGambit” or the “Company”), HealthDatix, Inc., a Delaware corporation and wholly owned subsidiary of iGambit (“Merger Sub”), and John Salerno, an individual and holder of shares of iGambit capital stock constituting a majority of the votes eligible to be cast by all of the stockholders of iGambit (the “Signing Stockholder”). The transactions contemplated by the Reverse Merger Agreement were consummated on October 29, 2019 (the “Closing”).

The Reverse Merger Agreement provided for the merger of Merger Sub with and into Clinigence, hereafter referred to as the “Acquisition.” As a result of the Acquisition, Merger Sub ceased to exist, and Clinigence became the surviving corporation and a direct wholly owned subsidiary of iGambit, and the former stockholders of Clinigence (the “Clinigence Stockholders”) have a direct equity ownership and controlling interest in iGambit. Merger Sub was renamed Clinigence Health Inc. iGambit was renamed Clinigence Holdings, Inc. Merger Sub was originally incorporated in Delaware on October 17, 2013 and had no operating activity prior to the reported transaction.

At the Closing, all of the outstanding shares of Clinigence common stock (the “Clinigence Shares”) were converted solely into the right to receive a number of shares of iGambit common stock (the “Company Shares”) such that the holders of outstanding equity of Clinigence immediately prior to the Closing own 85%, on a fully-diluted basis, of the outstanding equity of iGambit immediately following the Closing, and holders of outstanding equity of iGambit immediately prior to the Closing own 15%, on a fully-diluted basis, of the outstanding equity of iGambit. For each share of Clinigence Shares, each former Clinigence Stockholder received 0.22489093 shares of Company Shares after giving effect to the reverse stock split.

In connection with the Acquisition, the Company amended its certificate of incorporation to (i) effect a reverse stock split of the Company Shares at a ratio of 1 for 500 (the “Reverse Split Certificate of Amendment”), and (ii) change its name to Clinigence Holdings, Inc. to better align with the business of Clinigence (the “Name Change Certificate of Amendment”).

The Company is focused on the medical technology markets. Our primary focus is the expansion of our subsidiaries HealthDatix Inc. (“HealthDatix”) and our newly acquired subsidiary Clinigence Health Inc. (“Clinigence”).

HealthDatix is an end to end Software-as-a-Service solution that manages, reports, and analyzes critical data, enabling healthcare organizations to deliver positive patient outcomes. HealthDatix provides an opportunity for physicians to identify patients eligible for both “Annual Wellness Visits” (AWV) as well as “Chronic Care Management” both of which are reimbursed by Medicare.

The HealthDatix AWV solution offers a fully-hosted cloud service for healthcare providers to conduct the Medicare Annual Wellness Visit (AWV) program to their Medicare patients providing the patient with a 5-10 year Personalized Preventive Plan and physician reports that meet all Medicare audit requirements. The AWV is a program that allows a physician to identify those patients that have 2+ chronic conditions that require additional screening and management.

Additionally, the HealthDatix Chronic Care Management System (CCM), encompasses our FDA approved Electronic House Call system and Medicare covered platform, for continuous management of chronic care patients. The CCM platform can be tailored for individual care and health management of patients susceptible to chronic illness. The CCM platform is also designed to accumulate information from our BioDatix HealthBand, or any TeleMedicine or wearable device.

The HealthDatix, BioDatix Health Band, provides the ability to passively collect a wearers Heart Rate, Blood Oxygen, Blood Pressure, Sleep and Steps/Distance/Calories.

Clinigence is a healthcare information technology company providing an advanced, cloud-based platform that enables healthcare organizations to provide value-based care and population health management. The Clinigence platform aggregates clinical and claims data across multiple settings, information systems and sources to create a holistic view of each patient and provider and virtually unlimited insights into patient populations. Clinigence’s solutions help healthcare organizations improve the quality and cost effectiveness of care, enhance population health management and optimize provider networks.

**Assets.** At September 30, 2019, we had \$2,104,777 in total assets, compared to \$2,618,466 at December 31, 2018. The decrease in total assets was primarily due to amortization of intangible assets from the acquisition of our HealthDatix subsidiary.

**Liabilities.** At September 30, 2019, our total liabilities were \$1,464,845 compared to \$1,385,447 at December 31, 2018. Our current liabilities at September 30, 2019 consisted of accounts payable and accrued expenses of \$740,465, accrued interest on notes

payable of \$27,165, amounts due to related parties of \$128,476, deferred revenue of \$600, notes payable of \$495,593, and convertible notes payable of \$72,546, whereas our current liabilities at December 31, 2018 consisted of accounts payable and accrued expenses of \$480,270, accrued interest on notes payable of \$32,265 amounts due to related parties of \$145,367, deferred revenue of \$9,192, notes payable of \$52,500, convertible notes payable of \$377,611, and derivative liability of \$288,242.

***Stockholders' Equity.*** Our Stockholders' Equity was \$639,932 at September 30, 2019 compared to Stockholders Equity of \$1,233,019 at December 31, 2018. This decrease was primarily due to an increase in accumulated deficit during the nine months ended September 30, 2019.

### **THREE MONTHS ENDED SEPTEMBER 30, 2019 AS COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2018**

***Revenues and Net Income.*** We had \$7,550 of revenue from our HealthDatix subsidiary and a net loss of \$373,749 during the three months ended September 30, 2019, compared to revenue of \$22,582 and a net loss of \$608,519 for the three months ended September 30, 2018. The decrease in revenue was due primarily to revenue generated by our HealthDatix subsidiary.

***General and Administrative Expenses.*** General and Administrative Expenses decreased to \$187,295 for the three months ended September 30, 2019 from \$207,793 for the three months ended September 30, 2018. For the three months ended September 30, 2019 our General and Administrative Expenses consisted of corporate administrative expenses of \$23,232, legal and accounting fees of \$45,621, employee benefits expenses (health and life insurance) of \$2,269, payroll expenses of \$98,245, exchange filing fees of \$4,081 transfer agent expense of \$1,398, rent expense of \$2,449, and contract labor expense of \$10,000. For the three months ended September 30, 2018 our General and Administrative Expenses consisted of corporate administrative expenses of \$28,588, legal and accounting fees of \$29,798, employee benefits expenses (health and life insurance) of \$7,683, marketing expenses of \$6,153, payroll expenses of \$89,725, exchange filing fees of \$8,897, transfer agent expense of \$6,600, rent expense of \$7,128, contract labor expense of \$10,440, finders fees expense of \$5,000, errors and omissions insurance expense of \$5,281, and trade show expense of \$2,500. The decreases from the three months ended September 30, 2018 to the three months ended September 30, 2019 relate primarily due to: (i) a decrease in employee benefits, (ii) a decrease in marketing expenses; and (iii) a decrease in consulting and commissions expenses. Costs associated with the operations of our HealthDatix and Clinigence subsidiaries are expected to increase going forward, as we expand the business operations of Clinigence and HealthDatix which would likely increase our corporate administrative expenses.

***Other Income (Expense).*** We reported interest expense of \$9,995 for the three months ended September 30, 2019. We reported income from a change in fair value of derivative liability of \$76,091, loss on extinguishment of debt of \$95,464 and interest expense of \$222,134 for the three months ended September 30, 2018.

## **NINE MONTHS ENDED SEPTEMBER 30, 2019 AS COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2018**

**Revenues and Net Income (Loss).** We had \$19,175 of revenue from our HealthDatix subsidiary and a net loss of \$1,503,511 during the nine months ended September 30, 2019, compared to \$30,500 of revenue from our HealthDatix subsidiary and net income of \$1,944,799, for the nine months ended September 30, 2018. The increase in revenue was due primarily to the revenue generated by our HealthDatix subsidiary.

**General and Administrative Expenses.** General and Administrative Expenses decreased to \$576,512 for the nine months ended September 30, 2019 from \$752,930 for the nine months ended September 30, 2018. For the nine months ended September 30, 2019 our General and Administrative Expenses consisted of corporate administrative expenses of \$106,277, legal and accounting fees of \$85,862, employee benefits expenses (health and life insurance) of \$8,468, payroll expenses of \$304,346, filing fees expense of \$5,690, rent expense of \$17,712, transfer agent expense of \$18,940, contract labor expense of \$24,500, and consulting fees expense of \$4,717. For the nine months ended September 30, 2018 our General and Administrative Expenses consisted of corporate administrative expenses of \$32,359, legal and accounting fees of \$74,378, employee benefits expenses (health and life insurance) of \$28,591, marketing expenses of \$49,769, payroll expenses of \$298,155, exchange filing fees expense of \$19,707, rent expense of \$21,363, transfer agent expense of \$24,475, contract labor expense of \$34,640, consulting fees expense of \$89,400, finders fees of \$26,000, errors and omissions insurance expense of \$5,281, marketing expense of \$40,769, and trade show expense of \$8,043. The decreases from the nine months ended September 30, 2019 to the nine months ended September 30, 2018 relate primarily due to: (i) a decrease in employee benefits, (ii) a decrease in marketing expenses; (iii) a decrease in filing fees expenses, and (iv) a decrease in consulting and fees expenses. Costs associated with the operations of our HealthDatix and Clinigence subsidiaries are expected to increase going forward, as we expand the business operations of Clinigence and HealthDatix which would likely increase our corporate administrative expenses.

**Other Income (Expense).** We reported income from a change in fair value of derivative liability of \$98,944, loss on extinguishment of debt of \$262,566 and interest expense of \$234,314 for the nine months ended September 30, 2019. We reported expense from a change in fair value of derivative liability of \$(128,100), loss on extinguishment of debt of \$233,734 and interest expense of \$314,975 for the nine months ended September 30, 2018.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **General**

As reflected in the accompanying consolidated financial statements, at September 30, 2019, we had \$10,029 of cash and stockholders' equity of \$639,932. At December 31, 2018, we had \$369 of cash and stockholders' equity of \$1,233,019.

Our primary capital requirements in 2019 are likely to arise from the expansion of our HealthDatix and Clinigence operations. It is not possible to quantify those costs at this point in time, in that they depend on HealthDatix's and Clinigence's business opportunities and the state of the overall economy. We anticipate raising capital in the private markets to cover any such costs, though there can be no guaranty we will be able to do so on terms we deem to be acceptable. We do not have any plans at this point in time to obtain a line of credit or other loan facility from a commercial bank.

While we believe in the viability of our strategy to improve HealthDatix's and Clinigence's sales volume, and in our ability to raise additional funds, there can be no assurances that we will be able to fully effectuate our business plan.

We believe we will continue to increase our cash position and liquidity for the foreseeable future. We believe we have enough capital to fund our present operations.

### ***Cash Flow Activity***

Net cash used in operating activities was \$332,349, for the nine months ended September 30, 2019, compared to \$712,767 for the nine months ended September 30, 2018. Our primary use of operating cash flows from operating activities was from net losses of \$1,503,511 and \$1,944,799 for the nine months ended September 30, 2019 and 2018, respectively. Additional contributing factors to the change were from depreciation expense of \$742, amortization expense of \$521,902, non-cash interest expense of \$231,563, stock based compensation of \$1,025, loss on the extinguishment of debt of \$262,566, a change in fair value of derivative liability of \$98,944, decrease in accounts receivable of \$4,871, a decrease in inventory of \$85, an increase in prepaid expenses of \$5,971, a decrease in deposits of \$1,720, an increase in accounts payable and accrued expenses of \$260,195, and a decrease in deferred revenue of \$8,592.

There was no cash used in investing activities for the nine months ended September 30, 2019 and 2018, respectively.

Net Cash provided by financing activities was \$342,009 for the nine months ended September 30, 2019 compared to \$706,500 for the nine months ended September 30, 2018. The cash flows provided by financing activities for the nine months ended September 30, 2019 was primarily from \$443,093 in proceeds from notes payable.

### ***Plan of Operation and Funding***

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has an

accumulated deficit of \$13,966,325, and a working capital deficit of \$1,411,857 at September 30, 2019. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is dependent upon its ability to obtain necessary equity financing and ultimately from generating revenues from its newly acquired subsidiary to continue operations. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

We expect that working capital requirements will continue to be funded through a combination of our existing funds and further issuances of securities. Our working capital requirements are expected to increase in line with the growth of our business. Existing working capital, further advances and debt instruments, and anticipated cash flow are expected to be adequate to fund our operations over the next twelve months. We have no lines of credit or other bank financing arrangements. Generally, we have financed operations to date through the proceeds of the private placement of equity and debt instruments. In connection with our business plan, management anticipates additional increases in operating expenses and capital expenditures relating to: (i) developmental expenses associated with a start-up business and (ii) marketing expenses. We intend to finance these expenses with further issuances of securities, and debt issuances. Thereafter, we expect we will need to raise additional capital and generate revenues to meet long-term operating requirements. Additional issuances of equity or convertible debt securities will result in dilution to our current shareholders. Further, such securities might have rights, preferences or privileges senior to our common stock. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to take advantage of prospective new business endeavors or opportunities, which could significantly and materially restrict our business operations.

**Item 3. *Quantitative and Qualitative Disclosures about Market Risk.***

Not Required.

**Item 4. *Controls and Procedures.***

**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q.

Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of September 30, 2019, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the

Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting

### **Limitations on Effectiveness of Controls and Procedures**

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

## **PART II — OTHER INFORMATION**

### **Item 1. *Legal Proceedings.***

From time-to-time, the Company is involved in various civil actions as part of its normal course of business. The Company is not a party to any litigation that is material to ongoing operations as defined in Item 103 of Regulation S-K as of the period ended September 30, 2019.

**Item 1A. *Risk Factors.***  
Not required

**Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.***  
None

**Item 3. *Defaults upon Senior Securities.***  
None

**Item 4. *Removed and Reserved.***

**Item 5. *Other Information.***  
None

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)
32.2	Certification of the Interim Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (This exhibit shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, this exhibit shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.)

## SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 19, 2019.

Clinigence Holdings, Inc.

/s/ John Salerno

John Salerno

Chief Executive Officer

/s/ Elisa Luqman

Elisa Luqman

Chief Financial Officer

## Exhibit Index

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I, John Salerno, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clinigence Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls 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 officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect

the registrant's ability to record, process, summarize and report financial information;  
and

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

November 19, 2019

/s/ John Salerno  
Chief Executive Officer

I, Elisa Luqman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clinigence Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls 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 officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect

the registrant's ability to record, process, summarize and report financial information;  
and

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

November 19, 2019

/s/ Elisa Luqman  
Chief Financial Officer

**WRITTEN STATEMENT OF THE CHIEF EXECUTIVE OFFICER**  
**Pursuant to 18 U.S.C. Section 1350**  
**As adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002**

Solely for the purposes of complying with 18 U.S.C. s.1350 as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002, I, the undersigned Chief Executive Officer of Clinigence Holdings, Inc.. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2019, (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 19, 2019

/s/ John Salerno  
Chief Executive Officer

**WRITTEN STATEMENT OF THE CHIEF FINANCIAL OFFICER**  
**Pursuant to 18 U.S.C. Section 1350**  
**As adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002**

Solely for the purposes of complying with 18 U.S.C. s.1350 as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002, I, the undersigned Chief Financial Officer of Clinigence Holdings, Inc.. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2019, (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 19, 2019

/s/ Elisa Luqman  
\_\_\_\_\_  
Chief Financial Officer