MEDNOW INC.

Condensed Interim Consolidated Financial Statements
For the three months ended October 31, 2021 and 2020
(expressed in Canadian dollars)
(Unaudited)

NOTICE TO READER

The management of Mednow Inc. (the "Company") is responsible for the preparation of the accompanying Condensed Interim Consolidated Financial Statements. The Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the financial position, financial performance, and cash flows of the Company.

These Condensed Interim Consolidated Financial Statements have not been reviewed by an auditor. These Condensed Interim Consolidated Financial Statements are unaudited and include items that management considers necessary for a fair presentation of the financial position, financial performance, and cash flows.

(Signed)

Karim Nassar
Chief Executive Officer
Mednow Inc.

(Signed)

Benjamin Ferdinand
Chief Financial Officer
Mednow Inc.

December 21, 2021

MEDNOW INC.
Condensed Interim Consolidated Statements of Financial Position
(expressed in Canadian dollars - unaudited)

	Note	As at October 31, 2021	As at July 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	15	$ 23,104,339	$ 28,758,598
Accounts receivable		245,393	—
Sales tax receivable		430,503	256,824
Inventory		164,645	—
Prepaid expenses	6	832,675	644,103
Due from related parties	17	1,294,325	2,023,565
Total current assets		**26,071,880**	**31,683,090**
Non-current assets			
Investment in equity securities	10	716,751	495,475
Property and equipment	8	1,255,390	1,081,263
Right-of-use assets	9	1,518,921	381,740
Intangible assets	7	1,974,141	529,754
Goodwill	7	1,398,742	—
Total non-current assets		**6,863,945**	**2,488,232**
Total assets		**$ 32,935,825**	**$ 34,171,322**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11	$ 1,764,712	$ 1,293,276
Current portion of loan payable	4	30,000	—
Current portion of lease liabilities	12	258,103	77,051
Due to related parties	17	6,006	—
Current portion of contingent consideration	4	55,503	—
Total current liabilities		**2,114,324**	**1,370,327**
Long-term liabilities			
Deferred tax liabilities	4	325,153	—
Lease liabilities	12	1,279,275	314,255
Contingent consideration	4	51,834	—
Total long-term liabilities		**1,656,262**	**314,255**
Total liabilities		**3,770,586**	**1,684,582**
Shareholders' equity			
Share capital	13	31,655,248	31,655,148
Warrants	13	7,309,905	7,309,905
Share-based payment reserve	14	4,499,267	3,374,095
Deficit		(14,291,942)	(9,852,408)
		29,172,478	**32,486,740**
Non-controlling interest		(7,239)	—
Total shareholders' equity		**29,165,239**	**32,486,740**
Total liabilities and shareholders' equity		**$ 32,935,825**	**$ 34,171,322**

Subsequent events (Note 21)

Approved on behalf of the Board:

/s/ Ali Reyhany
Ali Reyhany, Director

/s/ Kia Besharat
Kia Besharat, Director

The accompanying notes form an integral part of these Condensed Interim Consolidated Financial Statements.

MEDNOW INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended October 31, 2021 and 2020
(expressed in Canadian dollars - unaudited)

	Note	Three Months Ended October 31, 2021	2020
Revenue	16	$ 570,343	$ 41,400
Cost of sales	16	309,019	—
Gross Profit		**261,324**	**41,400**
Expenses			
General and administrative	16	2,975,625	427,653
Share-based compensation	14	1,125,172	—
Marketing and sales		491,151	97,342
Depreciation and amortization	7, 8, 9	135,057	25,502
		4,727,005	**550,497**
Other income	19	19,029	—
Net loss and comprehensive loss for the period		**$ (4,446,652)**	**$ (509,097)**
Attributable to:			
Mednow Inc.		(4,439,413)	(509,097)
Non-controlling interest		(7,239)	—
		$ (4,446,652)	**$ (509,097)**
Loss per share - basic and diluted		$ (0.21)	$ (0.03)
Weighted average number of shares outstanding - basic and diluted		**21,568,359**	**16,110,518**

The accompanying notes form an integral part of these Condensed Interim Consolidated Financial Statements.

MEDNOW INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the three months ended October 31, 2021 and 2020
(expressed in Canadian dollars - unaudited)

		Share Capital						
	Note	Common shares Number	Common shares Amount	Warrants	Share-based payment reserve	Deficit	Non-controlling interest	Total
Balance – July 31, 2020		**16,110,518**	**$ 4,747,032**	**$ 1,126,924**	**$ —**	**$ (487,852)**	**$ —**	**$ 5,386,104**
Net loss and comprehensive loss		—	—	—	—	(509,097)	—	**(509,097)**
Balance – October 31, 2020		**16,110,518**	**4,747,032**	**1,126,924**	**—**	**(996,949)**	**—**	**4,877,007**
Balance- July 31, 2021		**21,568,359**	**$ 31,655,148**	**$ 7,309,905**	**$ 3,374,095**	**(9,852,408)**	**—**	**32,486,740**
Other transactions		—	100	—	—	—	—	**100**
Share repurchases		—	—	—	—	(121)	—	**(121)**
Share-based compensation	14	—	—	—	1,125,172	—	—	**1,125,172**
Net loss and comprehensive loss		—	—	—	—	(4,439,413)	(7,239)	**(4,446,652)**
Balance – October 31, 2021		**21,568,359**	**$ 31,655,248**	**$ 7,309,905**	**$ 4,499,267**	**$ (14,291,942)**	**$ (7,239)**	**$ 29,165,239**

The accompanying notes form an integral part of these Condensed Interim Consolidated Financial Statements.

MEDNOW INC.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended October 31, 2021 and 2020
(expressed in Canadian dollars - unaudited)

		Three months ended October 31,	
	Note	**2021**	**2020**
Cash flows used in operating activities			
Net loss		$ (4,446,652)	$ (509,097)
Changes in non-cash operating items:			
Share-based compensation	14	1,125,172	—
Depreciation and amortization	7,8,9	135,057	25,502
Loss on investment in equity securities	10	28,724	—
Interest expense- IFRS 16	19	3,279	—
Changes in non-cash working capital			
Accounts receivable		22,116	(45,126)
Prepaid expenses		(174,115)	(21,071)
Sales tax receivable		(173,679)	(50,068)
Inventory		(14,905)	—
Due to related parties		(139,954)	—
Accounts payable and accrued liabilities		(49,375)	41,230
Net cash used in operating activities		**(3,684,332)**	**(558,630)**
Cash used in financing activities			
Repayment of loan		(10,000)	—
Payment of lease liabilities	12	(30,068)	—
Net cash from financing activities		**(40,068)**	**—**
Cash used in investing activities			
Additions of intangible assets	7	(210,813)	(124,985)
Additions of equipment	8	(60,232)	(11,542)
Investment in equity securities	10	(250,000)	—
Acquisition of 2716725 Ontario Inc.	4	(1,295,996)	—
Acquisition of Mednow Pharmacy Inc.	4	(16,200)	—
Net due to/from related parties	17	(96,618)	(1,273,449)
Net cash used in investing activities		**(1,929,859)**	**(1,409,976)**
Change in cash during the year		(5,654,259)	(1,968,606)
Cash and cash equivalents – beginning of year		28,758,598	5,255,396
Cash and cash equivalents– end of year		**$ 23,104,339**	**$ 3,286,790**

The accompanying notes form an integral part of these Condensed Interim Consolidated Financial Statements.

1. NATURE OF OPERATIONS

Mednow Inc. (the "Company" or "Mednow") is a Canadian company incorporated under the Canada Business Corporations Act on January 17, 2018. The registered office address is 10th Floor, 595 Howe St., Vancouver, BC V6C 2T5.

Mednow is a healthcare company that has developed a proprietary web and mobile application to facilitate the sale and distribution of prescription medications, and the delivery of virtual care and telemedicine services. The Company's web application is accessible and compatible with the internet browsers Safari, Google Chrome, Mozilla FireFox, and Microsoft Edge on mobile phones and on personal computers. Through its proprietary technological infrastructure, the Company provides customers with a convenient and secure way to fill, order, receive and manage their prescriptions without having to physically attend a brick-and-mortar pharmacy. On August 5, 2021, the Company acquired Medvisit, a business that provides doctor home visits for patients who are unable to leave their homes.

On March 4, 2021, the Company completed its initial public offering ("IPO"), and on March 9, 2021, the Company listed its common shares on the TSX Venture Exchange ("TSXV") under the symbol "MNOW".

2. COVID-19

The outbreak of the coronavirus, also known as "COVID-19," has spread across the globe and is continuing to impact worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may continue to have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada (such as the provincial vaccine passports) and other countries to continue to vaccinate its population, contain and treat variants of the disease. The effects that these events will have are highly uncertain and as such, management of the Company will continue to assess the impact of the coronavirus on its financial results.

3. BASIS OF PREPARATION

Statement of compliance
These unaudited Condensed Interim Consolidated Financial Statements (the "financial statements") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to these Condensed Interim Consolidated Financial Statements were the same as those applied to the Company's annual Financial Statements for the year ended July 31, 2021, with the exception of the purchase price allocation in Note 4. These Condensed Interim Consolidated Financial Statements do not include all disclosures required for annual financial statements and should be read in conjunction with the annual Financial Statements of the Company for the year ended July 31, 2021.

The accounting policies applied to these Condensed Interim Consolidated Financial Statements are based on IFRS which have been applied consistently to all periods presented, with the exception of the adoption of the accounting policies described in Note 5.

These financial statements were approved and authorized for issuance by the Board of Directors on December 21, 2021.

Basis of preparation
These financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries listed below.

The Company's fiscal year (the "period", "fiscal year", "year") begins on August 1 and ends on July 31.

Consolidation
These financial statements include the financial statements of the Company and its subsidiaries. All intercompany transactions are eliminated on consolidation. As of October 31, 2021, the Company's subsidiaries incorporated under the Canada Business Corporations Act included:

(expressed in Canadian dollars - unaudited)

3. BASIS OF PREPARATION (Continued)

Subsidiaries	Percentage of equity interest
Mednow Pharmacy NS Ltd. (“Mednow NS”)	100%
Mednow Pharmacy MB Ltd.	100%
Mednow Pharmacy Inc. ("Mednow West")	100%
Mednow Operations Inc. ("Mednow Operations)	100%
Mednow Virtual Care Limited ("Mednow Virtual Care")	70%
Mednow Pharmacy Services Inc.	100%
10111132 Manitoba Ltd. ("Mednow MB")	100%
Mednow Pharmacy ON Ltd.	100%
Mednow Technology Ltd.	100%
2716725 Ontario Inc. ("Medvisit")	100%
Mednow Medical Inc. ("Mednow Medical")	100%

IFRS 10, Consolidated Financial Statements, outlines the requirements for the preparation and presentation of Consolidated Financial Statements, requiring entities to consolidate entities it controls. Consolidation of a subsidiary begins on the date that control is acquired by a Company over the subsidiary and ceases when the Company loses control of the subsidiary. The income and expenses of new subsidiaries acquired or disposed during the year, as well as new subsidiaries incorporated during the year are included in the consolidated statements of operations and comprehensive loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Company has control over the subsidiary when it has the right, and when it is exposed, to variable returns from the subsidiary, and when it has the ability to impact financial and operating returns through its power over the subsidiary. When the Company does not own all of the equity interest in the subsidiary, the non-controlling interest is disclosed as a separate line item in the Condensed Interim Consolidated Statements of Financial Position and the loss to non-controlling equity interest holders are disclosed as a separate line item in the Condensed Interim Consolidated Statements of Loss and Comprehensive Loss.

Segmented information and reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer. The financial results and business performance indicators for each operating segment are summarized in Note 20. Operating revenues are comprised of the sale of prescription and over-the-counter medications at Company-owned retail pharmacy locations through online and walk-in channels, sales generated from virtual care, telemedicine and doctor home visit services, as well as the Company's marketing and technology support services. The Company's net assets and its underlying revenue are generated from its operations in Canada.

Management is organized based on the Company’s operations as a whole rather than the specific revenue streams.

4. BUSINESS COMBINATIONS

Acquisition of Medvisit

On August 5, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Ontario-based 2716725 Ontario Inc., which operates under the trade name Medvisit. The base purchase price consisted of cash consideration of $1,320,000 and additional earn-out payments of $107,388 based on milestones tied to Medvisit's business performance over the next two years. The earn-out payments have been discounted using a risk-adjusted discount rate based on the date they are payable. The Company will pay a maximum earn-out of $680,000 over a two-year period ($340,000 per year following the acquisition date), and the earn-out payment will be adjusted based on the target number of annual home visits pursuant to the share purchase agreement. For the period August 1, 2021, to October 31, 2021, Medvisit generated revenue of $473,516. From the date of the acquisition to October 31, 2021, Medvisit generated revenue of $426,355, which was recorded in the Statement of Loss and Comprehensive Loss.

(expressed in Canadian dollars - unaudited)

4. BUSINESS COMBINATIONS (Continued)

The Company incurred acquisition costs of $52,530 in connection with its acquisition of Medvisit which have included in General and Administrative expenses on the Statement of Loss and Comprehensive Loss. The purchase price allocation as of the valuation date of August 5, 2021, is summarized below. Due to the complexity associated with the valuation process and short period of time between the acquisition date and period end, the Company is still in the process of finalizing the fair value of the net assets acquired. The Company will finalize the accounting for the acquisition no later than one year from the date of acquisition as required by IFRS 3.

Consideration paid	
Cash consideration	1,320,000
Contingent consideration	107,338
Net consideration paid	1,427,338
Current assets	
Cash	24,004
Accounts receivable	43,539
Receivable from provincial health care plan	195,231
Other current assets	10,857
Non-current assets	
Property and equipment	15,889
Right-of-use assets	32,493
Customer relationships	56,000
Intellectual property	82,000
Brand	934,000
Goodwill	623,516
Current liabilities	
Accounts payable and accrued liabilities	233,618
Short-term debt	40,000
Non-current liabilities	
Lease liabilities	32,493
Deferred tax liability	284,080
Net purchase price	**$ 1,427,338**

(expressed in Canadian dollars - unaudited)

4. BUSINESS COMBINATIONS (Continued)

The short-term debt of $40,000 consists of the Canada Emergency Business Allowance, a loan provided by the Federal Government of Canada to extend financial support to businesses impacted by the outbreak of the coronavirus. Pursuant to the terms, the principal amount of $40,000 is to be repaid by December 31, 2025. If the loan is repaid by December 31, 2022, the principal amount of $40,000 will not attract interest. If the loan is not repaid by December 31, 2022, the Company will incur interest of 5% on the amount that is unpaid. During the period ended October 31, 2021, the Company paid $10,000 to reduce the principal loan to $30,000. The Company expects to repay the principal amount before December 31, 2022.

Acquisition of Mednow West

On October 25, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Mednow West, a business controlled by management and certain shareholders of Mednow, for cash consideration of $74,209. The amount owed by Mednow West to Mednow, prior to the acquisition, of $979,406, was eliminated as an intercompany loan upon consolidation (Note 17). For the period of August 1, 2021, to October 31, 2021, Mednow West generated revenue of $113,241. From the date of acquisition to October 31, 2021, Mednow West generated revenue of $12,584.

The Company incurred acquisition costs of $59,594 in connection with its acquisition of Mednow West which have included in General and Administrative expenses on the Statement of Loss and Comprehensive Loss. The purchase price allocation as of the valuation date of October 25, 2021, is summarized below. Due to the complexity associated with the valuation process and short period of time between the acquisition date and period end, the Company is still in the process of finalizing the fair value of the net assets acquired. The Company will finalize the accounting for the acquisition no later than one year from the date of acquisition as required by IFRS 3.

Consideration paid	
Cash consideration	74,209
Net consideration paid	74,209
Current assets	
Cash	58,009
Accounts receivable	28,540
Inventory	149,740
Other current assets	11,389
Non-current assets	
Property and equipment	56,464
Right-of-use assets	76,016
Customer relationships	116,000
Goodwill	775,226
Current liabilities	
Accounts payable and accrued liabilities	92,398
Current portion of lease liability	60,264
Non-current liabilities	
Lease liabilities	24,034
Due to related party-Mednow Inc.	979,406
Deferred tax liability	41,073
Net purchase price	$ 74,209

5. SIGNIFICANT ACCOUNTING POLICIES

Business Combinations, Non-Controlling Interest and Goodwill

During the three months ended October 31, 2021, the Company adopted IFRS 3, Business Combinations, as the Company completed the acquisitions of two companies discussed in Note 4. IFRS 3 establishes requirements for how an acquirer in a business combination recognizes and measures in its financial statements the assets acquired and liabilities assumed; recognizes and measures the goodwill acquired in the business combination; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The Company accounts for business combinations by applying the acquisition method.

The Company has also applied IFRS 3 to recognize, measure and disclose the non-controlling interest in its virtual care and telemedicine business which operates as Mednow Virtual Care Ltd., a subsidiary controlled by Mednow Inc. Non-controlling interest represents the equity interest that is owned by parties outside of the Company. The share of net assets of the subsidiaries attributable to non-controlling interest is presented as a component of equity.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed were recognized at their fair value. Goodwill was measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. Contingent consideration was measured at fair value at the time of the business combination and was taken into account in the determination of goodwill. The contingent consideration liability is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in acquisition costs on the consolidated statements of loss and comprehensive loss. Acquisition costs are expensed as incurred.

Inventory

Inventory is valued and recorded at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Cost includes all direct expenses in bringing inventory to its present condition and location, net of consideration received from suppliers and vendors. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Inventory is written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, shrinkage or declining retail prices. The Company records consideration received from suppliers and vendors as a reduction to the cost of inventory, and these amounts are recognized in cost of sales when the associated inventory is sold.

Intangible assets

Intangible assets acquired are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Depreciation is calculated using the straight-line basis as this approach best reflects the consumption and benefit patterns pertaining to the asset’s use. The Company's indefinite life intangible assets are tested for impairment on an annual basis or more frequently if there are indicators that the indefinite life intangible assets may be impaired. The customer relationships and intellectual property are tested for impairment when indicators are present.

The Company has recognized the following intangible assets from its acquisition of Medvisit and Mednow West based on the purchase price allocation that was performed during the quarter.

- Customer relationships - The Company's customer relationships consists of the fair value assessed using management's financial projections, historical data and assumptions based on repeat customers for the Medvisit doctor home visits business and Mednow West retail pharmacy.
- Intellectual property - The Company's intellectual property consists of the fair value of the internally developed application that is used by doctors for the coordination and scheduling of doctor home visits, to record patient medical reports and diagnosis, as well as to bill the provincial health care plan. The application is used by Medvisit for its doctor home visits business.
- Brand - The Company's brand consists of the value attached to the Medvisit operating trade name based on management's financial projections and assumptions.

Customer relationships	5-10 years
Intellectual property	5 years
Brand	Indefinite life

(expressed in Canadian dollars - unaudited)

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition
The Company's operating revenue is comprised of sales from three (3) key sources:

(1) The Company sells prescription and over-the-counter medications at its retail pharmacies through online and walk-in channels. The Company owns brick-and-mortar retail pharmacies which service patients in the provinces of Nova Scotia and British Columbia. The Company's Nova Scotia retail pharmacy operations commenced on September 7, 2021, and the Company acquired the retail pharmacy in British Columbia on October 25, 2021.

(2) The Company offers doctor services, such as virtual care and telemedicine services, which are facilitated through the web and mobile application, as well as doctor home visits for patients who are unable to leave their homes. Virtual care and telemedicine services are offered in the provinces of British Columbia and Ontario, and doctor home visits are offered in Ontario. The Company enters into consulting agreements with doctors, pursuant to which the doctors provide medical consultations to patients, and the Company provides the technological infrastructure, including a proprietary web and mobile application to facilitate the delivery of virtual care, telemedicine services and doctor home visits. For a majority of doctors, the Company pays the doctors a fixed percentage of the gross billings for each patient/doctor consultation. The Company bills and collects the gross billings for each patient/doctor consultation primarily from the provincial health care plan; out of pocket costs are billed and collected from the patient and private insurance plans. The gross billings for each patient/doctor consultation are recorded as revenue in the Consolidated Statement of Loss and Comprehensive Loss. Gross billings for consultations are variable, based on the nature of each medical consultation.

(3) The Company provides marketing and technology support services discussed in Note 17.

Revenue is recognized when control of the goods or services has been transferred to the patient, at the time the point of sale is made or when the service is delivered to customers. Revenue is measured at the amount of consideration the Company expects to be entitled to, net of sales tax, discounts, estimated returns and sales adjustments.

Cost of sales
Cost of sales is comprised of the product cost of goods sold in Company-owned retail pharmacy stores through online and walk-in channels. Products sold at the Company's retail pharmacy stores primarily consist of prescription and over-the-counter medications.

Cost of sales also includes the cost of the consulting fees paid to doctors for virtual care and telemedicine services, as well as doctor home visits.

Acquisition costs
Acquisition costs, reported under General and Administrative expenses on the Statement of Loss and Comprehensive Loss, include costs associated with business combinations, whether completed or not, such as advisory, legal, accounting, valuation and other professional or consulting fees.

6. PREPAID EXPENSES

	As at October 31, 2021	As at July 31, 2021
Prepaid equipment	94,575	94,575
Prepaid advertising and investor relations	460,662	391,163
Other prepaid deposits	277,438	158,365
Prepaid expenses	**$ 832,675**	**$ 644,103**

(expressed in Canadian dollars - unaudited)

7. INTANGIBLE ASSETS AND GOODWILL

INTANGIBLE ASSETS

The Company's intangible assets comprise of the following:

COST	Software	License Fee	Customer Relationships	Intellectual Property	Brand	Total
Balance as at July 31, 2020	**$ 217,000**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 217,000**
Additions	467,427	—	—	—	—	467,427
Balance as at July 31, 2021	**684,427**	**—**	**—**	**—**	**—**	**684,427**
Additions	287,969	39,372	—	—	—	327,341
Acquisitions through business combinations	—	—	172,000	82,000	934,000	1,188,000
Balance as at October 31, 2021	**$ 972,396**	**$ 39,372**	**$ 172,000**	**$ 82,000**	**$ 934,000**	**$2,199,768**
ACCUMULATED AMORTIZATION						
Balance as at July 31, 2020	—	—	—	—	—	—
Amortization	154,673	—	—	—	—	154,673
Balance as at July 31, 2021	154,673	—	—	—	—	154,673
Amortization	64,054	—	2,800	4,100	—	70,954
Balance as at October 31, 2021	**$ 218,727**	**$ —**	**$ 2,800**	**$ 4,100**	**$ —**	**$ 225,627**
NET BOOK VALUE						
At July 31, 2021	**$ 529,754**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 529,754**
At October 31, 2021	**$ 753,669**	**$ 39,372**	**$ 169,200**	**$ 77,900**	**$ 934,000**	**$1,974,141**

GOODWILL

	Goodwill
Balance as at July 31, 2021	$ -
Additions from acquisition of Medvisit	623,516
Additions form acquisition of Mednow West	775,226
Balance as at October 31, 2021	**$ 1,398,742**

(expressed in Canadian dollars - unaudited)

8. PROPERTY AND EQUIPMENT

COST	Automation Equipment	Leasehold Improvements	Vehicles	Furniture and Fixtures	Computer Equipment	Total
Balance as at July 31, 2020	$ —	$ —	$ —	$ —	$ —	$ —
Additions	808,250	200,776	22,535	12,987	70,153	1,114,701
Balance as at July 31, 2021	**$ 808,250**	**$ 200,776**	**$ 22,535**	**$ 12,987**	**$ 70,153**	**$ 1,114,701**
Additions	—	35,017	—	30,522	72,959	138,498
Acquisitions through business combinations	—	56,464	—	15,889	—	72,353
Balance as at October 31, 2021	**$ 808,250**	**$ 292,257**	**$ 22,535**	**$ 59,398**	**$ 143,112**	**$ 1,325,552**
ACCUMULATED DEPRECIATION						
Balance as at July 31, 2020	$ —	$ —	$ —	$ —	$ —	$ —
Depreciation	15,208	—	7,993	1,151	9,086	33,438
Balance as at July 31, 2021	**$ 15,208**	**$ —**	**$ 7,993**	**$ 1,151**	**$ 9,086**	**$ 33,438**
Depreciation	20,206	2,144	2,817	2,102	9,455	36,724
Balance as at October 31, 2021	**$ 35,414**	**$ 2,144**	**$ 10,810**	**$ 3,253**	**$ 18,541**	**$ 70,162**
NET BOOK VALUE						
At July 31, 2021	**$ 793,042**	**$ 200,776**	**$ 14,542**	**$ 11,836**	**$ 61,067**	**$ 1,081,263**
At October 31, 2021	**$ 772,836**	**$ 290,113**	**$ 11,725**	**$ 56,145**	**$ 124,571**	**$ 1,255,390**

9. RIGHT-OF-USE ASSETS

	Vehicles	Real Estate Leases	Total
Balance as at July 31, 2020	$ —	$ —	$ —
Lease additions	61,846	333,133	394,979
Depreciation	(2,577)	(10,662)	(13,239)
Balance as July 31, 2021	59,269	322,471	381,740
Lease additions	35,564	1,020,487	1,056,051
Acquisitions through business combinations	—	108,509	108,509
Depreciation	(3,865)	(23,514)	(27,379)
Balance as at October 31, 2021	**$ 90,968**	**$ 1,427,953**	**$ 1,518,921**

10. INVESTMENT IN EQUITY SECURITIES

Balance – July 31, 2020	—
Subscription in investment in equity securities	500,000
Loss on investment in equity securities	(4,525)
Balance – July 31, 2021	**$ 495,475**
Subscription in investment in equity securities	250,000
Loss on investment in equity securities	(28,724)
Balance – October 31, 2021	**$ 716,751**

On July 9, 2021, pursuant to the terms of its subscription agreement ("subscription agreement"), the Company acquired an equity interest in Life Support Mental Health Inc. ("Life Support", "investee"), a privately held Canadian company that has developed mental health solutions to patients. Through this strategic investment, the Company is able to expand and diversify its portfolio of healthcare services that it can provide to its patients.

On July 9, 2021 the Company paid cash consideration of $500,000 to Life Support, and received 1,265,968 Class C voting common shares of Life Support. On October 18, 2021, the Company paid cash consideration of $250,000 to purchase an additional 473,809 Class C voting common shares of Life Support. As of October 31, 2021, the Company has an equity interest of 12.3% (2021-10.5%) in Life Support.

(expressed in Canadian dollars - unaudited)

10. INVESTMENT IN EQUITY SECURITIES (Continued)

The Company holds significant influence over Life Support's financial and operating policy decisions through its representation on Life Support's Board of Directors. The Company has recognized its investment in Life Support using the equity method. The post-acquisition change of $33,249 was calculated using Life Support's financial information (summarized below) as at October 31, 2021.

Life Support Financial Information

	As at October 31, 2021	As at July 31, 2021
Current assets	$ 333,203	$ 346,988
Non-current assets	3,139	4,330
Current liabilities	542,644	420,263
Non-current liabilities	200,000	200,000
Total liabilities	742,644	620,263
Revenue for the period from July 1 to October 31, 2021	683	—
Loss from operations for the period from July 1 to October 31, 2021	(477,461)	(66,795)

The Company has the option to invest an additional $750,000 payable in cash, in exchange for 1,101,606 Class C voting common shares of Life Support, contingent on Life Support meeting performance milestones and targets specific to each of the investments. The derivative associated with the option has not been recorded in the Condensed Interim Consolidated Financial Statements as the value has been assessed as insignificant. The performance milestones and targets were not met as of October 31, 2021. If the Company decides not to fund or pursue the remaining purchase option, the Company will not receive the additional common shares of Life Support. The Company will retain all existing shareholder rights in respect to the Class C voting common shares that it holds.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at October 31, 2021	As at July 31, 2021
Trade accounts payable	1,068,001	1,064,779
Accrued liabilities	40,514	50,609
Accrued salaries, wages and benefits	656,197	177,888
Accounts payable and accrued liabilities	**$ 1,764,712**	**$ 1,293,276**

(expressed in Canadian dollars - unaudited)

12. LEASE LIABILITY

The Company's leases consist of commercial real estate leases and a vehicle. The Company has recognized right-of-use assets in respect of these leases (Note 9).

The Company has also recognized lease liabilities for these leases, which were initially measured at the present value of the future lease payments, discounted at rates ranging from 2.95% to 6.60%. Interest on lease liabilities is included in interest expense in the consolidated statements of loss and comprehensive loss. The carrying amount of the Company's lease liabilities is summarized in the table below.

	Vehicles	Real Estate Leases	Total
Balance as at July 31, 2020	**$ —**	**$ —**	**$ —**
Lease additions	61,846	333,133	394,979
Interest expense	356	459	815
Lease payments	(2,765)	(1,723)	(4,488)
Balance as at July 31, 2021	**$ 59,437**	**$ 331,869**	**$ 391,306**
Lease additions	35,564	1,020,486	1,056,050
Acquisitions through business combinations	—	116,790	116,790
Interest expense	704	2,575	3,279
Lease payments	(4,844)	(25,203)	(30,047)
Balance as at October 31, 2021	**$ 90,861**	**$ 1,446,517**	**$ 1,537,378**
Current portion	21,120	236,983	258,103
Long-term portion	69,741	1,209,534	1,279,275

The following table details the undiscounted cash flows and contractual maturities of the Company's lease obligations as at October 31, 2021:

	Vehicles	Real Estate Leases
Year 1	$ 24,958	$ 390,368
Year 2	24,958	500,909
Year 3	24,958	472,617
Year 4	18,046	88,497
Year 5	7,672	22,059
Thereafter	-	106,157

During the period ended October 31, 2021, the Company entered into a short-term lease to rent a corporate office facility for its staff based in Toronto, Ontario. The Company incurred total costs of $55,299 (2021 - $65,019), which are recorded in the Consolidated Statement of Loss and Comprehensive Loss within General and Administrative expenses. The Company terminated its short-term lease with a notice to its landlord effective October 31, 2021. Due to the short-term nature of this lease, and the Company's ability to terminate the lease with short-term notice, the Company did not recognize a right-of-use asset, and corresponding lease liability in connection its corporate office.

13. SHARE CAPITAL AND WARRANTS

The Company is authorized to issue an unlimited number of Class A, B and C common shares.

Class A common shares carry voting rights, non-cumulative dividends as set and declared by the board of directors and carry a priority feature in the event of dissolution of the Company where each holder of Class A common shares shall receive $100 per share in priority to any payment on the Class B and Class C common shares.

Class B common shares are non-voting, non-cumulative dividends as set and declared by the board of directors and carry a priority feature in the event of dissolution of the Company where each holder of Class B common shares shall receive $50 per share in priority to any payment on the Class C common shares.

(expressed in Canadian dollars - unaudited)

13. SHARE CAPITAL AND WARRANTS (Continued)

Class C common shares are non-voting, non-cumulative dividends as set and declared by the board of directors.

	Common Shares		Warrants	
	Shares	Amount $	Warrants	Amount $
Balance July 31, 2020	**16,110,518**	**$ 4,747,032**	**3,377,422**	**$ 1,126,924**
	—	—	—	—
Balance October 31, 2020	**16,110,518**	**4,747,032**	**3,377,422**	**1,126,924**
Balance- July 31, 2021	**21,568,359**	**$ 31,655,148**	**6,700,279**	**$ 7,309,905**
Other transactions	—	100	—	—
Balance October 31, 2021	**21,568,359**	**31,655,248**	**6,700,279**	**7,309,905**

a) Share Issuance: On January 1, 2020 and May 26, 2020, the Company issued 2,355,000 and 1,500,000 Class A common shares for total proceeds of $23.55 and $15.00, respectively.

b) During June 2020, the Company completed non-brokered private placements resulting in the issuance of an aggregate of 3,294,015 units at a price of $0.55 per unit, with each unit comprised of one Class A common share and one-half of one non-transferable Class A common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of twenty-four (24) months from the date of Liquidity Event, one additional Class A common share at an exercise price of $0.80 per Share.

The following table summarizes the range of inputs used by the Company in calculating the warrants fair-value using the Black Scholes option pricing model:

Share price	$	0.44
Exercise price	$	0.80
Expected dividend yield		—
Expected volatility		99.3%
Risk free rate		0.34%
Expected life (years)		3
Fair value per warrant	$	0.22

c) On June 30, 2020 and July 10, 2020, the Company completed a brokered and non-brokered private placement of an aggregate of 2,635,274 units at a price of $1.75 per unit, with each unit comprised of one Class A common share and one-half of one non-transferable Class A common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of twenty-four (24) months from the date of Liquidity Event, one additional Class A common share at an exercise price of $2.63 per Share.

As part of the transaction, the Company paid cash commission of $368,938 and issued 131,764 corporate finance units, and 210,822 broker warrant units.

Each corporate finance unit resulted in the issuance of 1 Class A common share, and one half non-transferrable common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of twenty-four (24) months from the Liquidity Event, one additional Class A common share of the Company at an exercise price of $2.63 per share. As a result, the Company issued 131,764 Class A common shares valued at $185,919 and 65,881 warrants valued at $45,194.

Each broker warrant unit will entitle the holder to acquire one (1) underlying broker unit of the Company at any time for a period of two (2) years from the Liquidity Event, at an exercise price equal to the issue price of $1.75. Total broker warrant units issued were 210,822 which when exercised would result in 210,822 Class A common shares and warrants which represent an option to acquire 105,411 additional Class A common shares at $2.63 per share. Broker warrants were valued at $169,501 and the underlying broker warrants were valued at $72,312.

(expressed in Canadian dollars - unaudited)

13. SHARE CAPITAL AND WARRANTS (Continued)

The following table summarizes the range of inputs used by the Company in calculating the broker warrant units fair-value using the Black Scholes option pricing model:

Share price	$	1.41
Exercise price	$	1.75
Expected dividend yield		—
Expected volatility		99.1%
Risk free rate		0.340%
Expected life (years)		3
Fair value per warrant	$	0.80

d) On July 31, 2020, the Company completed a non-brokered private placement of an aggregate of 49,465 units at a price of $1.75 per unit, with each unit comprised of one Class A common share and one-half of one non-transferable Class A common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of twenty-four (24) months from the date of Liquidity Event, one additional Class A common share at an exercise price of $2.63 per share.

As part of this financing, the Company paid an advisory cash fee of $6,925 and issued 3,957 advisory warrant units. Each advisory warrant unit entitles the advisor to purchase one Class A common share for a period of twenty-four (24) months from the Liquidity Event, at an exercise price of $1.75 per Class A common share for a total 3,957 Class A common Shares, and a warrants to acquire 1,978 Class A common shares at $2.63 per share. The advisory warrants were valued at $4,533.

The following table summarizes the range of inputs used by the Company in calculating the advisory warrant units, corporate finance units, and underlying broker units fair-value using the Black Scholes option pricing model:

Share price	$	1.41
Exercise price	$	2.63
Expected dividend yield		—
Expected volatility		99.1%
Risk free rate		0.340%
Expected life (years)		3
Fair value per warrant	$	0.69

Other transaction costs were paid in cash throughout the year ended July 31, 2020 for the above private placements in the amount of $260,282.

e) On March 4, 2021, the Company completed its IPO for gross proceeds of $37,073,194 from the sale of 5,492,325 units at $6.75 per unit. Each unit is comprised of one (1) Class A common share of the Company and one-half of one Class A common share purchase warrant exercisable at $8.50 for 24 months.

As part of the transaction, the Company paid cash commission of $2,965,856, legal and syndicate fees of $431,511, and other direct listing costs of $129,497. The Company also issued 274,616 corporate finance units and 439,386 broker warrant units as part of the transaction. The fair value of the corporate finance units and broker warrant units was estimated using the Black-Scholes option pricing model (described below) to be $1,853,657 and $1,358,319, respectively. The total fair value of transaction costs is $6,738,840.

(expressed in Canadian dollars - unaudited)

13. SHARE CAPITAL AND WARRANTS (Continued)

The fair value of the warrant component issued within the IPO and corporate finance units was estimated using the following assumptions. Each corporate finance unit resulted in the issuance of one (1) Class A common share, and one half non-transferrable common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of twenty-four (24) months from the Liquidity Event, one additional Class A common share of the Company at an exercise price of $8.50 per share.

	March 4, 2021
Expected volatility	85.91%
Expected life	2 years
Expected forfeiture rate	0%
Risk-free interest rate	0.28%
Dividend yield	0%
Weighted average share price	$ 5.74
Weighted average fair value of warrants at grant date	$ 1.01

The fair value of broker warrant units issued was estimated using the Black-Scholes option pricing model with the following assumptions: Each broker warrant unit will entitle the holder to acquire one (1) underlying broker unit of the Company at any time for a period of two (2) years from the Liquidity Event, at an exercise price equal to the issue price of $6.75. Total broker warrant units issued were 439,386 which when exercised would result in 439,386 Class A common shares and warrants which represent an option to acquire 219,693 additional Class A common shares at $8.50 per share.

	March 4, 2021
Expected volatility	85.91%
Expected life	2 years
Expected forfeiture rate	0%
Risk-free interest rate	0.28%
Dividend yield	0%
Weighted average exercise price	$ 6.75
Weighted average fair value of warrants at grant date	$ 3.09

f) On March 29, 2021, the Company gave notice of its intention to make a Normal Course Issuer Bid (the “Bid”) to be transacted through the facilities of the exchange. The notice provides that the Company may, during the 12-month period commencing April 1, 2021 and ending April 1, 2022, purchase up to 1,093,873 Class A common shares of the Company in total, being 5% of the total number of 21,877,460 Shares outstanding as at March 29, 2021. The share purchases are to be made on the open market through the facilities of the exchange and will be purchased for cancellation. The funding for any purchase pursuant to the Bid will be financed out of the working capital of the Company. The Company’s Bid will be made from time to time by Gravitas Securities Inc. on behalf of the Company through the facilities of the TSX Venture Exchange.

As at October 31, 2021, the Company purchased and cancelled a life to date total of 309,100 common shares for $865,955 of cash consideration. The life to date weighted average cost of the cancelled shares totaled $455,233 resulting in a loss on cancellation of $410,821 allocated to deficit. The Company did not purchase common shares during the period ended October 31, 2021.

14. SHARE-BASED PAYMENT RESERVE

	As at October 31, 2021	As at July 31, 2021
Beginning balance	3,374,095	—
Share-based compensation	1,125,172	3,374,095
Ending balance	**$ 4,499,267**	**$ 3,374,095**

(expressed in Canadian dollars - unaudited)

14. SHARE-BASED PAYMENT RESERVE (Continued)

Stock options

The Company has a stock option plan ("the Plan") under which the Board of Directors may grant to directors, officers, employees, advisors and technical consultants to the Company non-transferable options to purchase common shares. The plan provides for a maximum number of stock options reserved for issuance equal to 10% of the Company's issued and outstanding common shares. On June 30, 2021, subject to shareholder and TSXV approval, the Company's directors approved an amendment to increase the maximum number of stock options reserved for issuance to 20% of the Company's issued and outstanding common shares. Under the plan, options generally vest over a period of three years and expire five years from the grant date.

The Board of Directors authorized and approved the granting of 449,000 options on October 20, 2021, under the Company's Plan to various directors, officers, employees and technical consultants.

The following table summarizes the continuity of the stock options during the period ended October 31, 2021.

	Number of options		Weighted average exercise price $
Balance as at July 31, 2021	2,830,500	$	1.77
Granted	449,000	$	1.40
Forfeitures	—	$	—
Balance as at October 31, 2021	**3,279,500**	**$**	**1.53**

The following table provides additional information about the Company's stock options as at October 31, 2021:

Grant date	Number of options outstanding		Exercise price $	Cancellation date	Number of options exercisable
January 21, 2021	1,561,000	$	1.75	January 21, 2026	295,125
June 11, 2021	399,500	$	1.65	June 11, 2026	—
July 2, 2021	870,000	$	1.85	July 2, 2026	—
October 20, 2021	449,000	$	1.40	October 20, 2026	—
	3,279,500	**$**	**1.53**		**295,125**

Stock options granted were valued using the Black-Scholes option pricing model with the following weighted-average assumptions for the period ended October 31, 2021:

		For the period ended October 31, 2021
Expected volatility		95.37%
Expected life		3 years
Expected forfeiture rate		0%
Risk-free interest rate		0.45%
Dividend yield		0%
Weighted average exercise price	$	1.53
Weighted average fair value of options at grant date	$	2.75

The Company recorded share-based compensation expense for options of $1,125,172 for the three month period ended October 31, 2021 (2020 – $nil), with an offsetting increase to the share-based payment reserve in respect of the stock options granted during the period ended October 31, 2021. No stock options were exercised during the period ended October 31, 2021 (2021 - nil), and as a result $nil was transferred to share capital from the share-based payment reserve. The weighted average remaining life of the options is 4.52 years.

(expressed in Canadian dollars - unaudited)

15. FINANCIAL RISK MANAGEMENT

Capital risk management

The Company's objectives in managing its capital are to ensure the Company's ability to continue as a going concern and to maintain a flexible capital structure of equity and debt financing to optimize the costs of capital with minimal risks. The Company considers the items included in shareholders' equity to be capital. The Board of Directors monitors the Company's capital position on a regular basis.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure, including the regular monitoring of cash flow and maturity dates of financial assets and liabilities.

The following table has been prepared based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company could be required to pay. The Company continues to pursue future financing options.

	As at October 31, 2021				
	On demand	**Within one year**	**Between one and five years**	**More than five years**	**Total**
Accounts payable and accrued liabilities	$ 1,764,712	$ —	$ —	$ —	$ 1,764,712
Current portion of loan payable	—	30,000	—	—	30,000
Due to related parties	6,006	—	—	—	6,006
Contingent consideration	—	55,503	51,834	—	107,337
Lease liabilities	—	258,103	1,178,587	100,688	1,537,378
Total	**$ 1,770,718**	**$ 343,606**	**$ 1,230,421**	**$ 100,688**	**$ 3,445,433**

	As at July 31, 2021				
	On demand	**Within one year**	**Between one and five years**	**More than five years**	**Total**
Accounts payable and accrued liabilities	$ 1,293,276	$ —	$ —	$ —	$ 1,293,276
Due to related parties	—	—	—	—	—
Lease liabilities	—	77,051	230,004	84,251	391,306
Total	**$ 1,293,276**	**$ 77,051**	**$ 230,004**	**$ 84,251**	**$ 1,684,582**

Credit risk

The Company's credit risk arises from its $931,578 (2021 - $738,528) of cash on hand and cash deposits held with banks, $22,172,761 (2021 - $28,020,070) of short-term investments as at October 31, 2021, and its due from related parties (Note 17) of $1,294,325 (July 31, 2021 - $2,023,565), which represents the entities maximum exposure to credit risk. The balance due from related parties is entirely concentrated to Mednow East Inc. and Mednow Clinic Ltd. in Note 17.

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities and due from (to) related parties approximates their fair values due to the short-term nature.

Currency risk

Currency risk is the risk that fluctuations in USD and CAD will impact the Company's results, including its financial statements. The Company's transactions that are exposed to the risk of foreign currency fluctuations primarily include the costs paid to develop the web application from a US-based third party company, and other vendors and suppliers who invoice and require payment in USD. The Company does not use derivative instruments to hedge its exposure to foreign currency translations.

(expressed in Canadian dollars - unaudited)

16. REVENUE, COST OF SALES AND EXPENSES CLASSIFIED BY NATURE

REVENUE

	Three months ended October 31,	
	2021	**2020**
Revenue from doctor services	433,127	—
Revenue from pharmacy agreements	120,194	41,400
Revenue from retail pharmacies	17,022	—
Total revenue	**$ 570,343**	**$ 41,400**

COST OF SALES

	Three months ended October 31,	
	2021	**2020**
Cost of consulting fees paid to doctors	286,255	—
Cost of products sold at retail pharmacies	22,764	—
Total cost of sales	**$ 309,019**	**$ -**

EXPENSES CLASSIFIED BY NATURE

Expenses are classified by function on the statement of loss and comprehensive loss and include general and administrative, marketing and sales and depreciation. Below is a breakdown of the nature of expenses within general and administrative expenses:

	Three months ended October 31,	
	2021	**2020**
General and administrative		
Payroll and subcontractor	$ 1,796,213	$ 144,505
Legal and professional	250,573	169,273
Director fees	69,500	72,000
Management fee	87,000	15,000
Investor relations, public company costs and other	741,866	16,248
Travel and meals	30,473	10,627
	$ 2,975,625	**$ 427,653**

17. RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel. Key management personnel includes the directors (executive and non-executive) and officers of the Company. Remuneration of key management personnel that was included in general and administrative expenses on the statement of loss and comprehensive loss was as follows:

	Three months ended October 31,	
	2021	**2020**
Management and director remuneration	$ 454,523	$ 41,940
Share-based compensation expense - directors and officers	2,896,956	72,000
	$ 3,351,479	**$ 113,940**

On September 15, 2020, the Company entered into a pharmacy agreement (the "Mednow East Pharmacy Agreement") with Mednow East Inc. ("Mednow East"), a company controlled by management and certain shareholders of Mednow, pursuant to which Mednow

(expressed in Canadian dollars - unaudited)

17. RELATED PARTY TRANSACTIONS (Continued)

provides Mednow East with non-exclusive marketing and technology support services to connect Mednow East with potential customers, and Mednow East will fulfill orders for pharmacy products through the Mednow web application, the dashboard and/or the virtual call center in exchange for consideration at fixed amounts based on volume of orders fulfilled. Pursuant to the pharmacy agreement, the Company has provided an unsecured, on-demand loan to Mednow East with defined interest terms.

On September 24, 2020, the Company entered into a pharmacy agreement (the "Mednow West Pharmacy Agreement") with Mednow Pharmacy Inc. ("Mednow West"), a company that was controlled by management and certain shareholders of Mednow. On October 25, 2021, Mednow West was acquired by the Company (Note 4) pursuant to the terms of the share purchase agreement, which has replaced the terms and conditions of the pharmacy agreement, including the service fee revenue which is terminated on the date of acquisition. The prorated revenue of $58,094 to the date of acquisition has been recorded in the Consolidated Statements of Loss and Comprehensive Loss. The loan owed by Mednow West prior to the acquisition is recognized as an intercompany loan between Mednow West and Mednow, and the intercompany loan is eliminated on these Condensed Interim Consolidated Financial Statements.

The Company has provided an unsecured, on-demand, non-interest bearing loan to Mednow Clinic Ltd., a business controlled by management and a certain shareholder of Mednow Inc.

The due to other related parties of $6,006 consists of the consulting fees payable to a doctor for virtual care and telemedicine services. The doctor has a 15% equity interest in Mednow Virtual Care Ltd., a subsidiary controlled by the Company.

	As at October 31, 2021	As at July 31, 2021
Due from (to) related party		
Mednow East Inc.- on demand, non-interest bearing	$ 909,744	$ 845,115
Mednow East Inc.- on demand, interest bearing at 18% per annum	304,083	233,910
Mednow Pharmacy Inc.- on demand, non-interest bearing	—	684,687
Mednow Pharmacy Inc.- on demand, interest bearing at 18% per annum	—	217,350
Mednow Clinic Ltd.- on demand, non-interest bearing	80,498	42,503
Due to other related parties	(6,006)	—
	$ 1,288,319	**$ 2,023,565**

	Three months ended October 31, 2021	2020
Revenues		
Mednow East Inc.	$ 62,100	$ 20,700
Mednow Pharmacy Inc.	58,094	20,700
	120,194	41,400
General and administrative - management fees		
Care Health Inc.	**$ 15,000**	**$ 15,000**

The Company entered into a formal management services agreement with Care Health Inc. on September 25, 2020. For a monthly fee of $5,000, Care Health Inc. provides Mednow with back-office support including general administrative support and advisory services, as the board of directors of Mednow may reasonably request from time to time. Care Health Inc. is related due to common directors and management. Care Health Inc. is also a shareholder of Mednow.

The related party transactions are conducted in the normal course of business operations and were measured at the exchange amount, which is the amount agreed to by the related parties.

As at October 31, 2021, included in accounts payable and accrued liabilities was $126,849 (2021 – $16,831) of payments owed to key management personnel.

(expressed in Canadian dollars - unaudited)

18. INCOME TAXES

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 27% (2021 – 27%) to the loss before income taxes for the year, and is reconciled as follows:

	Three months ended October 31, 2021	2020
Net loss before income taxes	**$ (4,446,652)**	**$ (509,097)**
Statutory tax rate	27%	27%
Statutory income tax recovery	(1,200,596)	(137,456)
Tax rate changes and other adjustments		
Share-based payment	303,796	—
Other non-deductible	2,938	2,869
Effect of losses not recognized	953,290	134,587
Effect of other temporary differences not recognized	(59,428)	—
Income tax recovery	$ -	**$ -**

Deferred tax assets have not been recognized in respect of loss carry forwards, share issuance costs and other temporary deductible differences, because it is not probable that future taxable profits will be available against which the Company will be able to use these benefits.

19. OTHER INCOME

	Three months ended October 31, 2021	2020
Interest income on Mednow East and Mednow West pharmacy agreements	23,848	—
Interest income on cash and cash equivalents	32,181	—
Interest expense- IFRS 16	(3,279)	—
Foreign exchange loss	(4,997)	—
Loss on investment in equity securities	(28,724)	—
	$ 19,029	**$ —**

20. SEGMENTED INFORMATION

Below is a summary of each operating segment's performance for the three month period ended October 31, 2021 and 2020.

	Retail Pharmacies	Doctor Services	Mednow Inc.	Total	For the period ended October 31, 2020
Revenue	$ 17,022	$ 433,127	$ 120,194	$ 570,343	$ 41,400
Other amounts in loss	177,915	497,424	4,341,656	5,016,995	550,497
Net loss	**$ (160,893)**	**$ (64,297)**	**$ (4,221,462)**	**$ (4,446,652)**	**$ (509,097)**

	Retail Pharmacies	Doctor Services	Mednow Inc.	Total	As at July 31, 2021
Cash	393,372	44,549	22,666,418	23,104,339	28,758,598
Other assets	732,560	228,037	4,242,616	5,203,213	3,801,707
Property and equipment, intangibles, goodwill	838,970	15,140	3,774,163	4,628,273	1,611,017
Accounts payable and other	189,051	238,643	1,805,514	2,233,208	1,293,276
Lease liabilities	435,609	26,225	1,075,544	1,537,378	391,306

21. SUBSEQUENTS EVENTS

On November 12, 2021, the Company entered into an agreement with TruDiagnostic, a United States based company, to acquire a two-year license and distribution rights to sell epigenetic testing kits ("testing kits") to patients in Canada. The Company has paid USD $150,000 to acquire the two-year license and distribution rights. The Company expects to start selling testing kits to Canadian patients in early 2022. Pursuant to the agreement, the Company will be responsible for purchasing a minimum of 400 testing kits for each twelve month period of the agreement.

On November 24, 2021, the Company paid cash consideration of $500,000 by way of a convertible debenture to acquire a 2.8% equity interest in Doko Medical Inc., a virtual healthcare provider which operates in the United States in 38 states.

On December 10, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Infusicare Canada Inc. (“Infusicare”), a retail pharmacy based in London, Ontario, from the shareholders of Infusicare, some of whom are directors of the Company. Pursuant to the share purchase agreement, the Company paid $1,850,000, in cash consideration, at closing. The Company is in the process of assessing the fair value of the net assets acquired.

On December 20, 2021, the Company entered into a share purchase agreement with Liver Care Canada Inc. ("Liver Care Canada") and the shareholders of Liver Care Canada, some of whom are directors of the Company. Subject to regulatory approval, the Company will acquire all of the issued and outstanding shares of Liver Care Canada for cash consideration of $65,000, with additional earn-out payments tied to Liver Care Canada’s performance milestones over the next two years.

On December 20, 2021, the Company entered into a share purchase agreement with London Pharmacare Inc. (“London Pharmacare”) and the shareholders of London Pharmacare, some of whom are directors of the Company. Subject to regulatory approvals, the Company will acquire all of the issued and outstanding shares of London Pharmacare for cash consideration of $585,000, with additional earn-out payments tied to London Pharmacare’s performance milestones over the next two years.