MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (this "MD&A") provides a review of the results of operations, financial condition and cash flows for Mednow Inc. ("Mednow" or the "Company"), for the period ended January 31, 2022.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2021 and 2020, including the supporting notes, the condensed interim consolidated financial statements for the three months period ended October 31, 2021 and 2020, and the condensed interim consolidated financial statements for the three and six months period ended January 31, 2022 and 2021. The Company's audited consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars, unless otherwise identified.

The Company also reports certain non-IFRS measures such as EBITDA and adjusted EBITDA that are discussed in the "Definitions of Certain non-IFRS Financial Measures" in this MD&A.

Unless otherwise stated, in preparing this MD&A the Company has taken into account information available up to the date of this MD&A, March 22, 2022, being the date the Company's board of directors (the "Board") approved this MD&A and the Financial Statements as at January 31, 2022. All quarterly information contained herein is unaudited. Additional information about the Company can be found in the Company's filings with securities regulatory authorities, which are available under the Company's profile on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this MD&A, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance, including without limitation, the Company's expectation that during the next 12 months, the Company will build and open retail pharmacies in the provinces of Manitoba, Alberta and Quebec, the Company's ability to secure institutional contracts and other business development initiatives, the ability to scale and grow the Company's businesses, the Company's expectation that it will successfully acquire a pharmacy based in Toronto, from related parties of Mednow, the Company's ability to pursue and complete future acquisitions and investments, the Company's forecast that in calendar 2022 the Company's revenue will range between C$42.5 million and C$47.5 million, the Company's forecast that the Company's calendar 2022 gross margin will average approximately 20%, with 40,000 to 45,000 active patients and be a net loss for the calendar 2022 year, the Company's forecast that revenue for the 2023 calendar year will range between C$105 million and C$110 million, the Company's forecast that the Company's calendar 2023 annual gross margin will average approximately 25%, with 110,000 to 120,000 active patients, and the Company's forecast to have Adjusted EBITDA in the range of $5 million to $10 million, are forward-looking statement and contains forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", "forecasts" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur".

Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this press release, including that during the next 12 months, the Company will build and open retail pharmacies in the provinces of Manitoba, Alberta and Quebec, the Company will successfully acquire a pharmacy based in Toronto, the Company will have national delivery capabilities in summer 2022, the Company will be successful in the deployment of its resources and personnel, the Company's operations will not be adversely impacted by COVID-19, the availability of financing, the cost of planned expansion, third party contractors and supplies and governmental and other approvals required to conduct the Company's planned activities will be available on reasonable terms and in a timely manner and that general business and economic conditions will not change in a material adverse manner, the Company will be successful in its targeted marketing campaigns and advertising initiatives that will allow the Company to grow its active patients to 40,000 to 45,000 active users in calendar 2022 and 110,000 to 120,000 active patients in calendar 2023, the Company will be successful in growing its active users to its estimated target range (as defined above) in calendar 2022 and calendar 2023, which will allow the Company to generate between C$42.5 million and C$47.5 million of revenue, average gross margin of 20% and a net loss in calendar 2022, and between C$105 million and C$110 million of revenue, average gross margin of 25% and Adjusted EBITDA in the range of $5 million to $10 million in its calendar 2023 year, the Company will be able to continue to buy medications and other products at reasonable prices and underlying purchase terms to achieve its expected gross margin in calendar 2022 and calendar 2023, the Company will be able to control operating costs to be able to achieve its target and forecasted earnings and Adjusted EBITDA, the Company's web and mobile application will be able to support a higher number of patients and users who will use the application to transact with the Company, and the Company will be successful in its strategic objectives, including the integration of existing business acquisitions and the pursuit of other investments and acquisitions.

Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include changes in market conditions, fluctuations in the currency markets, changes in national and local governments, legislation, taxation, controls, regulations, and political or economic developments in Canada or other countries in which the Company may carry on business in the future; risks relating to the credit worthiness or financial condition of suppliers and other parties with whom the Company does business; inadequate insurance or inability to obtain insurance to cover these risks; availability and increasing costs associated with operational inputs and labor; business opportunities that may be presented to, or pursued by the Company; the Company's ability to successfully integrate acquisitions; the ongoing economic impacts of the COVID-19 pandemic; and the risk factors discussed or referred to in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Investors are cautioned against attributing undue certainty to forward-looking statements. Other than specifically required by applicable laws, we are under no obligation, and we expressly disclaim any such obligation to update or alter the forward-looking statements whether as a result of new information, future events or otherwise except as may be required by law. These forward-looking statements are made as of the date of this MD&A.

COMPANY OVERVIEW

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 Apple 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.

The Company owns and operates retail brick-and-mortar pharmacies that are based in British Columbia, Ontario and Nova Scotia. The Company provides doctor services, including virtual care, as well as doctor home visits for patients in Ontario who are unable to leave their homes.

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

Mednow is a Canadian public company incorporated under the Canada Business Corporations Act on January 17, 2018. The registered corporate office address is 10th Floor, 595 Howe St., Vancouver, BC V6C 2T5. The Company's website is www.mednow.ca. Mednow's fiscal year end is on July 31, 2022.

STATEMENT ON 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.

STRATEGIC IMPERATIVES

The Company's core strategic imperatives include: national expansion of the retail pharmacy and doctor services businesses across Canada, the addition of institutional contracts and other business development initiatives; the integration and growth of acquired businesses; the pursuit of accretive acquisitions and investments in the healthcare industry; and proactive efforts to increase the user base of the Company's services.

During the next 12 months, the Company expects to open retail pharmacies in the provinces of Manitoba, Alberta and Quebec. The Company also expects to acquire a pharmacy in Toronto from related parties of Mednow Inc. The Company expects to own and operate these brick-and-mortal retail pharmacies in provinces across Canada, which will allow the Company to further develop brand presence, serve walk-in patients as well as serve majority of orders through home delivery of medications ordered via the web and mobile applications.

The Company will continue to pursue strategic acquisitions and investments in healthcare and specialty retail pharmacies, which is part of its strategy to deploy capital to maximize shareholder value.

Mednow actively continues efforts to target adding large, institutional contracts, such as the signed agreements with the Police Pensioner's Association of Ontario and Sterling Capital Brokers Ltd. These large contracts are expected to result in a lower cost of customer acquisition than traditional retail consumers.

Acquisition of London Pharmacare Inc.
On February 22, 2022, the Company completed the acquisition of 100% of the issued and outstanding shares of London Pharmacare Inc. ("London Pharmacare") from the shareholders of London Pharmacare, some of whom are directors of the Company. Pursuant to the terms of the share purchase agreement and amending agreement, the Company paid cash consideration of $1,000,000 on closing, with additional deferred, fixed cash payments of $367,500 to be paid on February 22, 2023, and $367,500 to be paid on February 22, 2024, which represent the first and second anniversary dates following the closing of the transaction. Due to the short proximity from the acquisition to the reporting date, the Company has not prepared a preliminary purchase price allocation. This will be disclosed in the Company's third quarter financial statements.

Acquisition of Liver Care Canada Inc.
On February 22, 2022, the Company completed the acquisition of 100% of the issued and outstanding shares of Liver Care Canada Inc. ("Liver Care Canada") from the shareholders of Liver Care Canada, some of whom are directors of the Company. Pursuant to the share purchase agreement, the Company paid cash consideration of $65,000 on closing, with additional earn-out payments that are tied to Liver Care Canada's performance milestones over the next two years. Due to the short proximity from the acquisition to the reporting date, the Company has not prepared a preliminary purchase price allocation. This will be disclosed in the Company's third quarter financial statements.

Mednow East Inc.
On March 4, 2022, the Company entered into a share purchase agreement with Mednow East, a business that is controlled by management and directors of Mednow Inc. Pursuant to the agreement, the Company will acquire all of the issued and outstanding common shares of Mednow East. The Company will pay cash consideration of $65,578 and will convert $1,374,422 owed by Mednow East to the Company (based on the pharmacy agreement) into a non-interest bearing on-demand convertible promissory note.

CORE OPERATING BRANDS

MEDNOW PHARMACY

On September 7, 2021, after receiving regulatory approvals from the Nova Scotia College of Pharmacists, the Company's pharmacy in Nova Scotia opened for business under the trade name Mednow Pharmacy. The pharmacy is a wholly owned subsidiary of Mednow Inc. and fills orders from walk-in patients as well as online orders in the province.

On October 25, 2021, the Company acquired Mednow Pharmacy Inc. ("Mednow West"), a retail pharmacy in British Columbia, from related parties of Mednow. The pharmacy is open for business, operating under the trade name Mednow Pharmacy.

INFUSICARE CANADA INC.

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

This acquisition bolsters Mednow's expertise in biologic drugs, the fastest-growing class of drugs in the pharmaceutical industry. The Company expects to offer same-day delivery in London, Ontario, and the surrounding areas in the near future. In its last fiscal year ending July 31, 2021, Infusicare generated approximately $9,300,000 in revenue and $400,000 in gross profit from selling prescription medications and support services to its patients.

MEDVISIT

On August 5, 2021, the Company acquired Medvisit, a business that provides in-home doctor and patient consultations in the province of Ontario. Medvisit has been in operation for over 30 years, with approximately 30,000 patient home visits per year and over 400,000 patients served since inception.

MEDNOW VIRTUAL CARE

On September 15, 2021, the Company launched Mednow Virtual Care, a platform to provide virtual care and telemedicine services, facilitated through the Mednow web application and mobile application. Mednow Virtual Care is currently available in the province of Ontario, and the Company expects to expand its coverage to serve patients across Canada in the near future.

INVESTMENT IN LIFE SUPPORT

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 January 31, 2022, the Company has an equity interest of 12.3% (2021-10.5%) in Life Support.

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 $93,691 was calculated using Life Support's financial information.

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 pursuant to the subscription agreement. 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 January 31, 2022. 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.

TRUDIAGNOSTIC

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 paid cash consideration of USD $150,000 to acquire the two-year rights pursuant to the agreement. The testing kits are manufactured by TruDiagnostic. The Company expects to start selling testing kits to Canadian patients in 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.

DOKO MEDICAL INC.

On November 24, 2021, the Company entered into an agreement with Doko Medical Inc. ("Doko"), a virtual healthcare provider which operates in the United States in 38 states. Pursuant to the agreement, the Company paid cash consideration of $500,000 in the form of a promissory note that is repayable to the Company on the maturity date of November 24, 2023. The Company will earn interest income of 3%, compounded annually.

The promissory note will be automatically converted into equity interest of Doko based on a triggering event that is tied to Doko's ability to raise capital over a defined monetary threshold in the form of equity financing. As at January 31, 2022, if the triggering event were to have occurred, the Company's promissory note would be converted into 2.8% of equity interest in Doko.

Doko Medical is a virtual healthcare provider that has over 100 physicians and healthcare workers engaged over its platform, which specializes in urgent care, mental health and erectile dysfunction. Doko Medical has developed a secure and scalable telemedicine platform that helps clinicians deliver care to patients.

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 the estimated fair value $107,388 based on milestones tied to Medvisit's business performance over two years starting from the date of acquisition. 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. From the date of acquisition to January 31, 2022, Medvisit generated revenue of $829,924 and net loss of $116,228 recorded in the Statement of Loss and Comprehensive Loss.

The Company incurred acquisition costs of $52,970 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. 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.

Consideration		
Cash consideration	$	1,320,000
Contingent consideration		107,338
Total consideration	**$**	**1,427,338**
Current assets		
Cash		24,004
Accounts receivable		43,539
Receivable from provincial health care plan		195,231
Other current assets		10,857
Non-current assets		
Property and equipment		15,889
Right-of-use assets		32,493
Customer relationships		42,000
Intellectual property		82,000
Brand		833,000
Goodwill		738,516
Current liabilities		
Accounts payable and accrued liabilities		233,618
Loan payable		40,000
Lease liabilities		32,493
Non-current liabilities		
Deferred tax liability		284,080
Net assets acquired	**$**	**1,427,338**

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 the management and certain shareholders of Mednow, for cash consideration of $74,209 and the assumption of the on demand promissory note payable by Mednow West to Mednow Inc. of $979,406 as at the date of acquisition. The amount owed by Mednow West to the Company prior to the acquisition, of $979,406, was eliminated as an intercompany loan upon consolidation (Note 17). From the date of acquisition to January 31, 2022, Mednow West generated revenue of $129,869 and net loss of $139,140 recorded in the Statement of Loss and Comprehensive Loss.

The Company incurred acquisition costs of $70,636 in connection with its acquisition of Mednow West which is 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. 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.

Consideration		
Cash consideration		74,209
Assumption of on demand promissory note		979,406
Total consideration	**$**	**1,053,615**
Current assets		
Cash		58,009
Accounts receivable		28,540
Inventory		149,740
Other current assets		11,389
Non-current assets		
Property and equipment		56,464
Right-of-use assets		76,016
Customer relationships		26,000
Goodwill		865,226
Current liabilities		
Accounts payable and accrued liabilities		92,398
Current portion of lease liability		60,264
Non-current liabilities		
Lease liabilities		24,034
Deferred tax liability		41,073
Net assets acquired	**$**	**1,053,615**

Acquisition of Infusicare

On December 10, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Infusicare, a business controlled by the management, directors and shareholders of Mednow, for cash consideration of $1,850,000. From the date of acquisition to January 31, 2022, Infusicare generated revenue of $1,268,837 and net loss of $70,243 recorded in the Statement of Loss and Comprehensive Loss.

The Company incurred acquisition costs of $47,687 in connection with its acquisition of Infusicare which is included in General and Administrative expenses on the Statement of Loss and Comprehensive Loss. The purchase price allocation as of the valuation date of December 10, 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		1,850,000
Total consideration	**$**	**1,850,000**
Current assets		
Cash		17,878
Accounts receivable		1,118,768
Sales tax receivable		7,454
Inventory		239,637
Income tax recoverable		93,756
Prepaid expenses		28,225
Due from related parties		21,663
Non-current assets		
Property and equipment		13,463
Right-of-use assets		1,015,086
Customer list		870,000
Goodwill		789,682
Current liabilities		
Accounts payable and accrued liabilities		860,959
Bank indebtedness		229,985
Due to related parties		29,032
Current portion of lease liability		177,208
Non-current liabilities		
Lease liabilities		837,878
Deferred tax liability		230,550
Net assets acquired	**$**	**1,850,000**

Acquisitions of Medvisit, Mednow West and Infusicare

If the acquisitions of Medvisit, Mednow West and Infusicare had been completed on August 1, 2021, the Company estimates that it would have recorded $6,696,450 in pro forma revenue for the six months period ended January 31, 2022.

CORPORATE DEVELOPMENTS

Pharmacy agreements

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 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 pursuant to the terms of the share purchase agreement, which has replaced the terms and conditions of the pharmacy agreement, including the marketing and technology support service fee revenue which was terminated on the date of acquisition. The prorated revenue from the pharmacy agreement of $58,094 to the date of acquisition has been recorded in the Consolidated Statements of Loss and Comprehensive Loss. The on-demand 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.

Normal course issuer bid

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 January 31, 2022, 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 $410,822 allocated to deficit.

During the period ended January 31, 2022, the Company did not purchase and cancel common shares.

National Instrument 44-101 Short form prospectus

On February 15, 2022, the Company filed a notice to the British Columbia Securities Commission, Alberta Securities Commission, Ontario Securities Commission, Manitoba Securities Commission and Financial and Consumer Affairs Authority of Saskatchewan under national instrument 44-101 of the Company's intention to be qualified to file a short form prospectus. The notice will remain in effect until withdrawn by the Company.

SELECTED FINANCIAL INFORMATION

Selected financial information of the Company for the three months and six months ended January 31, 2022 and 2021, and the fiscal year ended July 31, 2021, is set forth below.

	Three months ended January 31,		Six months ended January 31,		Year Ended July 31,
	2022	**2021**	**2022**	**2021**	**2021**
Revenue	$ 1,890,429	$ 124,200	$ 2,460,772	$ 165,600	$ 414,000
Net loss and comprehensive loss	(5,713,363)	(1,190,424)	(10,514,372)	(1,699,521)	(8,953,835)
EBITDA[1]	(5,438,633)	(1,155,395)	(10,101,306)	(1,638,990)	(8,751,670)
Adjusted EBITDA[1]	(4,162,058)	(803,418)	(7,228,826)	(1,287,013)	(5,377,575)
Total assets	32,070,757	4,487,634	32,070,757	4,487,634	34,171,322
Total liabilities	7,532,588	449,074	7,532,588	449,074	1,684,582
Basic and diluted net loss and comprehensive loss per common share	(0.26)	(0.07)	(0.49)	(0.11)	(0.49)

[1] EBITDA and Adjusted EBITDA has been discussed in the section Definitions of Non-IFRS Financial Measures.

RECONCILIATIONS OF NON-IFRS MEASURES

	Three months ended January 31,		Six months ended January 31,	
	2022	**2021**	**2022**	**2021**
Net loss and comprehensive loss for the period	$ (5,713,363)	$ (1,190,424)	$ (10,514,372)	$ (1,699,521)
Interest expense	11,404	—	14,683	—
Depreciation and amortization	263,326	35,029	398,383	60,531
EBITDA[1]	$ (5,438,633)	$ (1,155,395)	$ (10,101,306)	$ (1,638,990)
Loss on investment in equity securities	60,442	—	89,166	—
Share-based compensation	1,086,293	351,977	2,565,822	351,977
Acquisition costs	129,840	—	217,492	
Adjusted EBITDA[1]	**$ (4,162,058)**	**$ (803,418)**	**$ (7,228,826)**	**$ (1,287,013)**

[1] EBITDA and Adjusted EBITDA has been discussed in the section Definitions of Non-IFRS Financial Measures.

DISCUSSION OF OPERATIONS

Comparison of the Three and Six Months Ended January 31, 2022 and 2021

	Three months ended January 31,			Six months ended January 31,[1]		
	2022	**2021**	**Variance**	**2022**	**2021**	**Variance**
Revenue	$ 1,890,429	$ 124,200	$ 1,766,229	$ 2,460,772	$ 165,600	$ 2,295,172
Cost of sales	$ 1,536,132	$ —	$ 1,536,132	$ 1,845,151	$ —	$ 1,845,151
Marketing and sales	491,862	173,999	317,863	983,013	271,341	711,672
General and administrative	4,184,437	753,619	3,430,818	7,160,062	1,181,272	5,978,790
Share-based compensation	1,086,293	351,977	734,316	2,565,822	351,977	2,213,845
Depreciation and amortization	263,326	35,029	228,297	398,383	60,531	337,852
Net loss and comprehensive loss for the period	(5,713,363)	(1,190,424)	(4,522,939)	(10,514,372)	(1,699,521)	(8,814,851)
EBITDA[2]	(5,438,633)	(1,155,395)	(4,283,238)	(10,101,306)	(1,638,990)	(8,462,316)
Adjusted EBITDA[2]	(4,162,058)	(803,418)	(3,358,640)	(7,228,826)	(1,287,013)	(5,941,813)
Basic and diluted net loss and comprehensive loss per common share	(0.26)	(0.07)	(0.19)	(0.49)	(0.11)	(0.38)

[1] Restatement - page 13
[2] EBITDA and Adjusted EBITDA has been discussed in the section Definitions of Non-IFRS Financial Measures.

Results of operations for the three months ended January 31, 2022 as compared to 2021

The total net loss and comprehensive loss for the three months ended January 31, 2022, was $5,713,363 ($0.26 per share) compared to $1,190,424 ($0.07 per share) for the three months ended January 31, 2021. The movements in revenue and expenses are detailed below:

- Revenue increased by $1,766,229 during the three months period ended January 31, 2022, driven primarily by sales from the Company's retail pharmacy operating segment. The Company's retail pharmacies based in British Columbia, Ontario and Nova Scotia collectively generated revenue of $1,405,559, as compared to $0 in the prior comparative period as the Company's pharmacies were not open and operational in the prior year comparative period. The Company generated revenue of $422,770 from its doctor services operating segment in the three months period ended January 31, 2022, as compared to $0, as the Company started offering doctor services from August 5, 2021, following its acquisition of Medvisit, the business that provides in home doctor care for patients who are not able to leave their homes. The Company generated revenue of $62,100 of revenue from its pharmacy agreement with Mednow East Inc., as compared to $124,200 of revenue in the prior year comparative period, which was generated from its pharmacy agreement with Mednow East Inc. and an equal amount was generated from the pharmacy agreement with Mednow West.
- Cost of sales were $1,536,132 during the three months period ended January 31, 2022, made up of $1,250,018 of cost of products sold at retail pharmacies and $286,114 of cost of consulting fees paid to doctors. In the prior year comparative period, these business segments were not operational.
- Marketing and sales expenses increased by $317,863 to $491,862 during the three months ended January 31, 2022, mainly driven by core branding and online market initiatives that were executed to increase the exposure of the Mednow corporate brand and to acquire patients and users of Mednow's web and mobile app. The majority of marketing expenses were incurred for the corporate Mednow Inc. operating segment, along with marginal spend incurred to promote and advertise the doctor services operating segment.
- General and administrative expense increased by $3,430,818 to $4,184,437 during the three months ended January 31, 2022. For the retail pharmacy operating segment, this is primarily comprised of the costs incurred for pharmacy staff and employees, including pharmacists that the Company employs, and other retail operating costs. For the doctor services operating segment, costs are mainly driven by the cost of salaries paid to Medvisit's staff, including its corporate and call center staff. The majority of general and administrative expenses were incurred for the Mednow Inc. operating segment, which includes i) salaries and subcontractor costs for the company's corporate office as the Company continued to build out its internal teams including its institutional business, ii) legal and professional fees such as acquisition costs incurred for the Company's completed and pending acquisitions, and iii) investor relations and other related public company costs.
- Share-based compensation increased by $734,316 to $1,086,293 during the three months ended January 31, 2022. The costs have increased due to the grant of stock options that were approved by the Board of Directors.
- Depreciation and amortization expenses increased by $228,297 largely due to the amortization of costs which have been capitalized for the development of the Company's web and mobile application.
- EBITDA for the quarter was a loss of $5,438,633, as compared to a loss of $1,155,395 in the prior year comparative period, representing a decrease in EBITDA of $4,283,238 compared to the prior comparative period. The change is primarily driven by increased corporate costs, such as increased head count, technology and marketing efforts as the Company has continued to build out its internal teams in order to scale and grow its businesses. The Company has adjusted net loss and comprehensive loss for the period for certain items to calculate EBITDA, as summarized in the section Reconciliation of Non-IFRS Measures and the section Definitions of Non-IFRS Financial Measures.
- Adjusted EBITDA for the quarter was a loss of $4,162,058, as compared to a loss of $803,418 in the prior year comparative period, representing a decrease in adjusted EBITDA of $3,358,640. Adjusted EBITDA has been adjusted for certain items (Reconciliation of Non-IFRS Measures). EBITDA has been adjusted for certain items to calculate Adjusted EBITDA, summarized in the section Reconciliation of Non-IFRS Measures and the section Definitions of Non-IFRS Financial Measures.

Results of operations for the six months ended January 31, 2022 as compared to 2021

The total net loss and comprehensive loss for the six months ended January 31, 2022, was $10,514,372 ($0.49 per share) compared to $1,699,521 ($0.11 per share) for the six months ended January 31, 2021. The movements in revenue and expenses are detailed below:

- Revenue increased by $2,295,172 during the six months period ended January 31, 2022. The Company's retail pharmacies based in British Columbia, Ontario and Nova Scotia collectively generated revenue of $1,422,581, as compared to $0 in the prior comparative period as the Company's pharmacies were not open and operational in the prior year period. The Company generated revenue of $855,897 from its doctor services operating segment in the six months period ended January 31, 2022, as compared to $0, as the Company started offering doctor services from August 5, 2021, following its acquisition of Medvisit, the business that provides in home doctor care for patients who are not able to leave their homes. The Company generated revenue of $182,294 of revenue from its pharmacy agreement with Mednow East and Mednow West, as compared to $165,600 of revenue in the prior year comparative period, which was generated from its pharmacy agreement with Mednow East Inc. and an equal amount was generated from the pharmacy agreement with Mednow West. In the prior comparative period, the pharmacy agreement was effective from October 2020 and onwards.
- Cost of sales were $1,845,151 during the six months period ended January 31, 2022, made up of $1,272,782 of cost of products sold at retail pharmacies and $572,369 of cost of consulting fees paid to doctors. In the prior year comparative period, these business segments were not operational.
- Marketing and sales expenses increased by $711,672 to $983,013 during the six months ended January 31, 2022, mainly driven by market initiatives that were executed to increase exposure of the Company's brand and to acquire patients and users of Mednow's web and mobile app. The majority of marketing expenses were incurred for the corporate Mednow Inc. operating segment, along with marginal spend incurred to promote and advertise the doctor services operating segment.
- General and administrative expense increased by $5,978,790 to $7,160,062 during the six months ended January 31, 2022. For the retail pharmacy operating segment, this is primarily comprised of the costs incurred for pharmacy staff and retail operating costs, such as common area maintenance fees paid to the landlord for each of the pharmacies' real estate locations. For the doctor services operating segment, costs are mainly driven by the expenses incurred to maintain the Company's internally developed application that is used for doctor home visits as well as the salaries for Medvisit's staff, including its corporate and call center staff. The majority of general and administrative expenses were incurred for the Mednow Inc. operating segment, which includes i) salaries and subcontractor costs for the company's corporate office as the Company continued to build out its internal teams, including its institutional business, ii) legal and professional fees, including acquisition costs incurred for the Company's completed and pending acquisitions, and iii) investor relations and other public company costs.
- Share-based compensation increased by $2,213,845 to $2,565,822 during the six months ended January 31, 2022. The costs have increased due to the grant of stock options that were approved by the Board of Directors.
- Depreciation and amortization expenses increased by $337,852 to $398,383 largely due to the amortization of costs which have been capitalized for the development of the Company's web and mobile application. The Company has continued the development and enhancement of its web and mobile application during the six months period ended January 31, 2022.
- EBITDA for the six months period ended January 31, 2022 was a loss of $10,101,306 as compared to a loss of $1,638,990 in the prior year comparative period, representing a decrease in EBITDA of $8,462,316. The change is primarily driven by increased corporate costs, such as increased head count, technology and marketing efforts as the Company has continued to build out its internal teams in order to scale and grow its businesses. The Company has adjusted net loss and comprehensive loss for the period for certain items to calculate EBITDA, as summarized in the section Reconciliation of Non-IFRS Measures and the section Definitions of Non-IFRS Financial Measures.
- Adjusted EBITDA for the quarter was a loss of $7,228,826, as compared to a loss of $1,287,013 in the prior year comparative period, representing a decrease in EBITDA of $5,941,813. EBITDA has been adjusted for certain items to calculate Adjusted EBITDA, summarized in the section Reconciliation of Non-IFRS Measures and the section Definitions of Non-IFRS Financial Measures.

RESTATEMENT

The Company has recorded a restatement to increase its share-based compensation expense for the three months period ended October 31, 2021 by $354,357. The Company's share-based compensation expense for the three and six months period ended January 31, 2022 is in Note 14. The Company recorded the restatement to increase its prior year comparative share-based compensation expense by $319,637 for the three and six months period ended January 31, 2021, an adjustment that was recognized as part of the Company's annual audited Consolidated Financial Statements for the year ended July 31, 2021, due to corrections in the valuation assumptions using the Black-Scholes option pricing model. The corresponding adjustments have been done to share-based compensation expense, net loss and comprehensive loss, and loss per share.

SUMMARY OF QUARTERLY RESULTS

The following financial data for each of the eight most recently completed quarters has been prepared in accordance with IFRS.

	Three months ended (unaudited)			
	April 30, 2020	**July 31, 2020**	**October 31, 2020**	**January 31, 2021**
Revenue	$ -	$ -	$ 41,400	$ 124,200
Net loss and comprehensive loss	(38,000)	(410,789)	(509,097)	(1,190,424)
EBITDA[1]	(38,000)	(410,789)	(483,595)	(1,155,395)
Adjusted EBITDA[1]	(38,000)	(410,789)	(483,595)	(803,418)
Total assets	169,136	5,540,787	5,121,398	4,487,634
Total liabilities	246,785	154,683	244,391	449,074
Basic and diluted loss and comprehensive loss per common share	(0.01)	(0.05)	(0.03)	(0.07)

	Three months ended (unaudited)			
	April 30, 2021	**July 31, 2021**	**October 31, 2021**	**January 31, 2022**
Revenue	$ 124,200	$ 124,800	$ 570,343	$ 1,890,429
Net loss and comprehensive loss	(3,404,127)	(3,850,187)	(4,801,009)	(5,713,363)
EBITDA[1]	(3,359,183)	(3,753,497)	(4,662,673)	(5,438,633)
Adjusted EBITDA[1]	(1,882,454)	(2,203,583)	(3,066,768)	(4,162,058)
Total assets	36,871,403	34,171,322	32,935,825	32,070,757
Total liabilities	1,144,795	1,684,582	3,770,586	7,532,588
Basic and diluted loss and comprehensive loss per common share	(0.11)	(0.21)	(0.23)	(0.26)

[1] EBITDA and Adjusted EBITDA has been discussed in the section Definitions of Non-IFRS Financial Measures.

CORPORATE UPDATE OF FINANCIAL PERFORMANCE

The Company provided a corporate update on February 24, 2022, on its calendar 2022 and 2023 financial objectives. Pursuant to the update, the Company forecasts to generate annual revenue between the range of $42.5 million to $47.5 million for the calendar 2022 year, which comprises the months from January to December 2022. The Company projects $42 million of revenue from the retail pharmacy business segment, and $3 million from the doctor services operating segment. The Company forecasts to have 40,000 to 45,000 active patients by the end of the 2022 calendar year. The Company forecasts to have gross margin of approximately 20% and a net loss for the year.

For the 2023 calendar year, comprising the months from January to December 2023, the Company forecasts annual revenue between the range of $105 million to $110 million, with $102 million of revenue from the retail pharmacy operating segment, and $5 million from the doctor services operating segment. The Company forecasts to have 110,000 to 120,000 active patients by the end of the 2023 calendar year. The Company forecasts to have gross margin of approximately 25% and Adjusted EBITDA in the range of $5 million to $10 million.

The Company plans to open retail pharmacies in Manitoba and Quebec in March 2022, and in Alberta later this year.

The Company's results as at January 31, 2022, are summarized below. The Company had 19,000 active patients at the end of January 2022.

		For the month ended January 31, 2022 (Unaudited)
Revenue	$	957,496
Cost of Sales		809,726
Gross margin %		15%
Other costs		1,931,791
Net Loss		(1,784,021)
EBITDA[1]		(1,666,657)
Adjusted EBITDA[1]		(1,234,770)

[1] EBITDA and Adjusted EBITDA has been discussed in the section Definitions of Non-IFRS Financial Measures.

As of the date of this report, March 22, 2022, management has assessed that the Company is on track to meet the 2022 calendar year objectives and financial forecast above, and the Company confirms that there are no material differences in the underlying assumptions and factors that were used to develop the Company's forecast.

RECONCILIATIONS OF NON-IFRS MEASURES

		For the month ended January 31, 2022 (Unaudited)
Net loss and comprehensive loss for the period	$	(1,784,021)
Interest expense		8,106
Depreciation and amortization		109,258
EBITDA[1]		**(1,666,657)**
Loss on investment in equity securities		16,063
Share-based compensation		366,361
Acquisition costs		49,463
Adjusted EBITDA[1]		**(1,234,770)**

[1] EBITDA and Adjusted EBITDA has been discussed in the section Definitions of Non-IFRS Financial Measures.

FINANCIAL RESULTS BY OPERATING SEGMENTS

Below is a summary of each operating segment's performance for the three months and six months period ended January 31, 2022 and 2021.

	Three months ended January 31, 2022				2021
	Retail Pharmacies	**Doctor Services**	**Mednow Inc.**	**Total**	**Mednow Inc.**
Revenue	$ 1,405,559	$ 422,770	$ 62,100	$ 1,890,429	$ 124,200
Other amounts in loss	1,810,248	534,558	5,258,986	7,603,792	1,314,624
Net loss	**$ (404,689)**	**$ (111,788)**	**$ (5,196,886)**	**$ (5,713,363)**	**$ (1,190,424)**

	Six months ended January 31, 2022				2021
	Retail Pharmacies	**Doctor Services**	**Mednow Inc.**	**Total**	**Mednow Inc.**
Revenue	$ 1,422,581	$ 855,897	$ 182,294	$ 2,460,772	$ 165,600
Other amounts in loss	1,988,163	1,031,982	9,954,999	12,975,144	1,865,121
Net loss	**$ (565,582)**	**$ (176,085)**	**$ (9,772,705)**	**$ (10,514,372)**	**$ (1,699,521)**

Below is a summary of each operating segment's performance as at January 31, 2022 and 2021.

	As at January 31, 2022				As at July 31, 2021
	Retail Pharmacies	**Doctor Services**	**Mednow Inc.**	**Total**	**Mednow Inc.**
Cash	$ 554,008	$ 20,730	$ 15,808,152	$ 16,382,890	$ 28,758,598
Other assets	1,683,824	199,518	2,074,541	3,957,883	1,396,402
Property and equipment, capital work-in-progress, intangibles, goodwill	1,365,930	14,344	6,115,520	7,495,794	1,611,017
Right-of-use assets	1,724,788	19,496	1,072,025	2,816,309	381,740
Due from related parties	29,845	-	1,388,036	1,417,881	2,023,565
Accounts payable and other	1,403,723	194,478	3,039,580	4,637,781	1,293,276
Lease liabilities	1,757,883	19,746	1,072,614	2,850,243	391,306
Due to related parties	44,564	-	-	44,564	-

LIQUIDITY AND CAPITAL RESOURCES

The Company has incurred ongoing losses and expects to incur further losses in the development of its business. At January 31, 2022, the Company had working capital of $15,729,742. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. As at January 31, 2022, the Company had $16,382,890 in cash (July 31, 2021 - $28,758,598).

The consolidated financial statements for the six months ended January 31, 2022 and 2021 do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes.

Financial instruments and 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 January 31, 2022				
	On demand	**Within one year**	**Between one and five years**	**More than five years**	**Total**
Accounts payable and accrued liabilities	$ 3,804,297	$ —	$ —	$ —	$ 3,804,297
Bank indebtedness	140,444	—	—	—	140,444
Current portion of loan payable	—	—	30,000	—	30,000
Due to related parties	44,564	—	—	—	44,564
Contingent consideration	—	55,503	51,834	—	107,337
Lease liabilities	—	699,398	2,056,521	94,324	2,850,243
Total	**$ 3,989,305**	**$ 754,901**	**$ 2,138,355**	**$ 94,324**	**$ 6,976,885**

On December 10, 2021, the Company acquired Infusicare, a retail pharmacy based in London, Ontario. Infusicare has access to the credit facility ("credit facility") pursuant to its agreement with HSBC Bank Canada. The credit facility is used to support the day to day operating requirements of Infusicare. The credit facility provides for a maximum line of credit of the lesser of $1,000,000 or 90% of the Ontario Drug Benefit accounts receivable plus 80% of the other major customers accounts receivables, approved by HSBC Bank Canada, at the end of the previous month. The interest rate is at the prime rate of HSBC Bank Canada. The facility includes a requirement that the Company maintains certain financial ratios. All amounts advanced and outstanding under the credit facility shall be repaid on demand. The credit facility is secured by a general security agreement from Infusicare creating a first priority security interest in property and intellectual property of Infusicare. As at January 31, 2022, the Company had drawn $140,444 (2021 - nil) from its credit facility.

The current portion of loan payable of $30,000 (2021 - nil) 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, 2023, 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. As at January 31, 2022, the Company has paid $10,000 to reduce its principal amount owed to $30,000. The Company expects to repay the principal amount before the end of the calendar year 2023.

	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
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
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, accounts and notes receivable and due from related parties. As at January 31, 2022, the Company's maximum exposure to credit risk for these financial instruments was as follows:

	As at January 31, 2022	As at July 31, 2021
Cash and cash equivalents	16,382,890	28,758,598
Accounts receivable	1,039,254	—
Due from related parties	1,417,881	2,023,565
Notes receivable	500,000	—
Interest receivable	25,759	—

The Company's accounts receivable of $1,039,254 (2021 - nil) consist primarily of amounts that are expected to be collected from private insurers and provincial health care plans, such as the Ontario Health Insurance Plan ("OHIP"). The Company generates revenue from sales of prescription medications to patients, and the Company submits claims to insurers based on each patient's coverage. These claims are reflected as amounts due to the Company from insurers, which are collected in accordance with standard payment terms of each insurer.

The balance due from related parties is primarily from Mednow East Inc. and Mednow Clinic Ltd. in Note 17.

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. Due to the short-term payment terms on these trade payables, the Company's currency risk is minimal. The Company does not use derivative instruments to hedge its exposure to foreign currency translations.

CASH FLOWS BY ACTIVITY

Comparison of the Six Months Ended January 31, 2022, and 2021

The table below outlines a summary of cash inflows and outflows by activity for the six months ended January 31, 2022, and 2021.

	Six months ended January 31,			
	2022		2021	
Net cash used in operating activities	$	(6,943,463)	$	(1,556,198)
Net cash used in financing activities	$	(199,981)	$	—
Net cash used in investing activities	$	(5,232,264)	$	(1,634,947)

Cash used in operating activities
The Company's cash outflows from operating activities for the six months ended January 31, 2022, primarily relates to (i) people costs, including salaries and consulting fees as the Company continued to build out its retail pharmacy operations, marketing expertise, institutional business, and other back-office support teams, (ii) marketing costs for the Company's marketing of its product offering, (iii) acquisition costs incurred for the Company's completed and pending acquisitions, and (iv) legal and other professional fees incurred by the Company, and (v) investor relations activities and related public company costs.

Cash flows from financing activities
During the period ended January 31, 2022, the Company repaid $10,000 of its short-term debt relating to the Canada Emergency Business Allowance, repaid $90,628 of the drawn amount from the Company's credit facility with HSBC Bank Canada, paid $99,353 of lease liabilities primarily in connection with leased real estate space for the retail pharmacies in Nova Scotia, Ontario, and British Columbia, as well as for its upcoming pharmacy in Manitoba.

Cash used in investing activities
The Company's cash outflows from investing activities primarily relate to (i) the acquisition of Infusicare Canada Inc. for $1,832,122, (ii) the acquisition of Medvisit for the net amount of $1,295,996, (iii) the acquisition of Mednow West for the net amount of $16,200, (iv) the related party loan of $328,960 largely pursuant to the pharmacy agreement with Mednow East Inc., (v) $500,000 paid by the Company to Doko Medical Inc. for the issuance of a promissory note, (vi) the cost of the additional subscription in Life Support's shares of $250,000, and (vii) the purchase of pharmacy equipment, other capital expenditures, and the costs incurred to develop the Company's web and mobile application.

SIGNIFICANT ACCOUNTING POLICIES

Business Combinations, Non-Controlling Interest and Goodwill
During the six months ended January 31, 2022, the Company adopted IFRS 3, Business Combinations, as the Company completed acquisitions as 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. Goodwill is allocated to the cash generating unit ("CGU") or group of CGUs which are expected to benefit from the synergies of the combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. 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.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with changes impacting goodwill. Measurement period adjustments arise from additional information obtained during the measurement period which cannot exceed one year from the acquisition date about circumstances that existed at the acquisition date.

Inventory
Inventory is valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Cost includes all direct expenses incurred 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.

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 to patients in Canada. The license has been recorded as an intangible asset.

The Company has recognized the following intangible assets from its acquisitions of Medvisit, Mednow West and Infusicare based on the purchase price allocation that was performed during the six months period ending January 31, 2022.

- 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 the Mednow West and Infusicare retail pharmacies.
- 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
License	2-3 years

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 British Columbia, Ontario and Nova Scotia. The Company's Halifax, Nova Scotia based retail pharmacy operations commenced on September 7, 2021. The Company acquired the retail pharmacy in British Columbia on October 25, 2021. The Company acquired the retail pharmacy in London, Ontario on December 10, 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. The Company has applied judgement and used assumptions to conclude that it is the principal in the doctor services operating segments.

(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.

Significant Judgements, Assumptions and Estimates

The following are examples of the significant estimates and assumptions that have been made during the three and six months periods ended January 31, 2022, in applying the Company's accounting policies that have a significant impact on the amounts in these Condensed Interim Consolidated Financial Statements.

- The determination of the purchase price accounting of the businesses that the Company has acquired, including the acquisition date fair value of the identifiable assets and liabilities acquired. The underlying assumptions and estimates used for the purchase price accounting impact the asset and liability amounts recorded in the statement of financial position on the acquisition date. The estimated economic lives of the acquired amortizable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired impact the Company's profit or loss from the date of acquisition.
- The judgement and assumptions used by the Company in assessing the presentation of revenue on a gross versus net basis for the doctor services operating segments. This assessment is based on various factors, including whether the Company controls the service provided to the patient, and whether the Company is the principal in the transaction (which would lead to the gross recognition of revenue), or whether the Company is the agent in the transaction (which would lead to the net recognition of revenue). The assessment of whether the Company is considered the principal or agent has an impact primarily on the accounting of the amount of revenue and cost of sales recorded.
- The expected credit losses ("ECL") applied against loans, including notes receivable, accounts receivable, and due from related parties based on forward-looking factors.

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 is below.

As at January 31, 2022, included in accounts payable and accrued liabilities was $23,769 (2021 –$16,831) of payments owed to key management personnel.

	Three months ended January 31,		Six Months Ended January 31,	
	2022	**2021**	**2022**	**2021**
Management and director remuneration	$ 625,852	$ 187,740	$ 1,070,090	$ 259,740
Share-based compensation expense - directors and officers	592,098	—	1,184,197	—
	$ 1,217,950	**$ 187,740**	**$ 2,254,287**	**$ 259,740**

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 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 Company has a payable to Liver Care Canada and London Pharmacare Inc. of $37,639 and $6,925 as at January 31, 2022. Liver Care Canada Inc. and London Pharmacare Inc. are businesses that are controlled by directors of the Company, and both businesses were acquired by the Company on February 22, 2022.

	As at January 31, 2022	As at July 31, 2021
Due from related parties		
Mednow East Inc.- on demand, non-interest bearing	$ 930,706	$ 845,115
Mednow East Inc.- on demand, interest bearing at 18% per annum	374,256	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	90,910	42,503
Due from other related parties	22,009	—
	$ 1,417,881	**$ 2,023,565**
Due to related parties		
Liver Care Canada -on demand, non-interest bearing	37,639	—
London Pharmacare Inc. -on demand, non-interest bearing	6,925	—
	$ 44,564	**$ —**

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. will provide 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.

	Three months ended January 31,		Six Months Ended January 31,	
	2022	2021	2022	2021
Revenues				
Mednow East Inc.	$ 62,100	$ 62,100	$ 124,200	$ 82,800
Mednow Pharmacy Inc.	—	62,100	58,094	82,800
	62,100	124,200	182,294	165,600
General and administrative - management fees				
Care Health Inc.	**$ 15,000**	**$ 15,000**	**$ 30,000**	**$ 30,000**

OFF BALANCE SHEET ARRANGEMENTS

As at January 31, 2022, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of preferred shares without nominal or par value and an unlimited number of common shares. The table below lists the securities outstanding:

	As at January 31, 2022
Common shares	21,568,359
Options	3,071,500
Warrants	
Share purchase warrants	6,260,893
Broker warrants	439,386
Total common shares on a fully-diluted basis	**31,340,138**

DEFINITIONS OF CERTAIN NON-IFRS FINANCIAL MEASURES

This MD&A uses certain non-IFRS financial measures which are defined below. Non-IFRS financial measures are not standardized financial measures under IFRS. As such, these measures may not be comparable to similar financial measures that are disclosed by other companies. These measures include "EBITDA" and "Adjusted EBITDA". These measures are provided as additional information that is disclosed to provide further insight into the Company's results of operations from management's perspective. These measures should not be reviewed and assessed as a substitute for financial information reported under IFRS. A reconciliation of the non-IFRS measures to the IFRS measure is in the section "Selected Financial Information".

EBITDA and Adjusted EBITDA

EBITDA represents net loss and comprehensive loss for the period before interest expense, income taxes, and depreciation and amortization expenses. Adjusted EBITDA represents net loss and comprehensive loss for the period before interest expense, income taxes, depreciation and amortization expenses, loss on investment in equity securities, share-based compensation expense, and acquisition costs incurred. These adjustments to calculate the non-IFRS measures of EBITDA and Adjusted EBITDA are for items that are not necessarily reflective of the Company's underlying operating performance. As there is no generally accepted or standard method of calculating EBITDA, these measures are not necessarily comparable to similarly titled measures reported by other issuers. EBITDA and Adjusted EBITDA are presented as management believes it is a useful indicator of the Company's relative financial performance. These measures should not be considered by an investor as an alternative to net income or other IFRS financial measures as determined in accordance with IFRS.

The Company presents EBITDA and Adjusted EBITDA to indicate ongoing financial performance from period to period, including comparative prior year periods. The Company has disclosed certain non-IFRS measures on this report, including the disclosure of non-IFRS financial measures for prior year comparative periods.

Reconciliation of Non-IFRS Financial Measures

The following are reconciliations of net loss and comprehensive loss to EBITDA. The adjustments include:
1. The amortization and depreciation expenses of intangible assets, fixed assets, and the right-of-use assets of the Company.
2. The interest expenses, which primarily includes interest expense on the Company's credit facility and interest expense recorded in accordance with IFRS 16.

The following are reconciliations of EBITDA to Adjusted EBITDA. The adjustments include:
1. The loss on investment in equity securities in connection with the Company's investment in Life Support.
2. The share-based compensation expense recorded by the Company in connection with the stock option plan.
3. The acquisition costs incurred by the Company for its completed and pending acquisitions.

The exclusion of certain items in calculating the non-IFRS measures does not imply that they are non-recurring, infrequent, unusual or not useful to investors.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Condensed Interim Consolidated Financial Statements and other financial information contained in this report have been prepared by management. It is management's responsibility to ensure that sound judgement, appropriate accounting policies and reasonable estimates have been used to prepare this information and that the consolidated financial statements are in accordance with International Financial Reporting Standards.

Management is also responsible for designing, maintaining and testing a system of internal controls over the financial reporting processes. Internal controls have been designed to provide reasonable assurance that the financial records are reliable, accurate and form a proper basis for the preparation of the consolidated financial statements. As of January 31, 2022, management reviewed and tested the internal controls over financial reporting and concluded that they were effective to provide reasonable assurance over the consolidated financial statements.

These condensed interim consolidated financial statements have not been reviewed by the Company's auditors. The Condensed Interim Consolidated Financial Statements are unaudited and include all items that management considers necessary for a fair presentation of the financial position, financial performance and cash flows.

RISK FACTORS AND UNCERTAINTIES

The Company is subject to various financial, operational and political risks that could have a significant impact on its business, profitability and levels of operating cash flows. Although the Company assesses and seeks to mitigate these risks by careful management of its activities, resources and employing qualified personnel, these risks cannot be eliminated. Such risks include, but are not limited to, business and country risks discussed below.

For a discussion of these and additional risk factors, please refer to the Company's prospectus under "Risk Factors" therein. The prospectus filed on February 26, 2021, and the annual information form filed on February 15, 2022, is available under the Company's profile on SEDAR at www.sedar.com.