Unaudited Interim Condensed Consolidated Financial Statements

Tree of Knowledge International Corp.

For the Nine Months Ended September 30, 2021 and 2020

(expressed in US Dollars)

Tree of Knowledge International Corp.
Unaudited Interim Consolidated Statements of Financial Position
As at
(Expressed in US Dollars)

	Note		September 30, 2021		December 31, 2020
ASSETS					
Current assets					
Cash and cash equivalents		$	**113**	$	105,248
Accounts receivable	**4**		**136,686**		335,629
Inventory			**2,097**		2,097
Prepaid and other assets			**23,810**		28,318
Total current assets			**162,706**		471,292
Non-current assets					
Property and equipment	**5**		**64,059**		85,966
Intangible assets	**6**		**5,694,479**		6,018,573
Right-of-use assets	**7**		**589,644**		648,466
Total non-current assets			**6,348,182**		6,753,005
Total assets		$	**6,510,888**	$	7,224,297
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	**9**	$	**1,350,326**	$	1,691,808
Lease liability - current portion	**8**		**179,357**		175,849
Convertible debenture			**339,321**		326,650
Debenture derivative liability			**706,312**		875,643
Total current liabilities			**2,575,316**		3,069,950
Non-current liabilities					
Long-term debt			**59,214**		57,080
Lease liability	**8**		**721,268**		788,789
Total non-current liabilities			**780,482**		845,869
Total liabilities			**3,355,798**		3,915,819
Shareholders' equity					
Share capital			**42,286,729**		42,286,729
Equity reserves			**3,759,372**		3,735,994
Contributed surplus			**2,651,120**		2,501,186
Accumulated other comprehensive income			**872,689**		891,251
Accumulated deficit			**(46,414,820)**		(46,106,682)
Total shareholders' equity			**3,155,090**		3,308,478
Total liabilities and shareholders' equity		$	**6,510,888**	$	7,224,297

Approved on behalf of the Board:

(signed) – "*Ommid John Faghani*"

(signed) – "*Scott Reeves*"

The accompanying notes are an integral part of these consolidated financial statements

Tree of Knowledge International Corp.

Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months and nine months ended September 30, 2021 and 2020
(Expressed in US Dollars)

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue				
Health care services	$ 1,140,699	$ 1,044,799	$ 3,279,965	$ 3,300,389
Sale of products	-	68,151	-	2,651,186
	1,140,699	1,112,950	3,279,965	5,951,575
Cost of sales				
Cost of healthcare services	839,886	730,510	2,394,865	2,279,593
Cost of products	-	16,099	-	1,798,209
Total cost of sales	839,886	746,609	2,394,865	4,077,802
Gross profit (loss)	300,813	366,341	885,100	1,873,773
Expenses				
Depreciation and amortization	134,428	176,084	410,798	519,790
Interest	44,178	48,945	128,726	148,806
Office and general	149,362	10,832	150,676	247,132
Professional fees	39,119	122,255	188,500	255,217
Research and development	-	32,569	-	64,618
Salaries, benefits, and consulting	107,371	165,082	535,214	2,757,113
Share based compensation	35,359	183,182	172,710	924,746
Travel and promotion	7,764	25,645	13,271	159,506
Total expenses	517,581	764,594	1,599,895	5,076,928
Loss before the following items	(216,768)	(398,253)	(714,795)	(3,203,155)
Accretion expense	(99,726)	-	(180,281)	-
Gain (loss) on convertible debenture revaluation	-	-	166,757	-
Gain (loss) on derivative liability revaluation	34,371	-	170,601	-
Gain on lease modification	-	32,108	-	32,108
Interest income	47	128	189	617
Listing costs	-	-	-	(738,498)
Other income	21,238	(542)	249,391	5,073
Net profit (loss)	$ (260,838)	$ (366,559)	$ (308,138)	$ (3,903,855)
Other comprehensive income (expense)				
Foreign currency translation adjustment	(94,552)	1,640	(17,960)	152,724
Comprehensive income (loss)	$ (355,390)	$ (364,919)	$ (326,098)	$ (3,751,131)
Gain (loss) per share - basic and diluted	$ (0.00103)	$ (0.00100)	$ (0.00122)	$ (0.01600)
Weighted average number of shares outstanding - basic and diluted	253,238,000	251,162,826	253,238,000	240,041,347

The accompanying notes are an integral part of these consolidated financial statements

Tree of Knowledge International Corp.

Unaudited Interim Consolidated Statement of Changes in Shareholders' Equity

For nine months ended September 30, 2021 and year ended December 31, 2020
(Expressed in US Dollars)

	Number of common shares	Shares capital	Equity reserves	Contributed surplus	Accumulated other comprehensive income	Accumulated deficit	Total
Balance, December 31, 2019	**224,848,858**	**$ 41,787,645**	**$ 3,826,923**	**$ 1,715,335**	**$ 1,002,572**	**$ (42,145,625)**	**$ 6,186,850**
Shares and warrants issued for cash	3,532,000	117,662	12,248	-	-	-	129,910
Shares and warrants issued for services	2,857,142	73,540	10,396	-	-	-	83,936
Shares issued for services	2,000,000	22,474	-	-	-	-	22,474
Shares and warrants issued for joint venture	20,000,000	285,408	12,329	-	-	-	297,737
Shares based compensation for options and performance warrants	-	-	659,949	-	-	-	659,949
Expiration and cancellation of warrants	-	-	(114,795)	114,795	-	-	-
Expiration of options	-	-	(475,585)	475,585	-	-	-
Cancellation of performance warrants	-	-	(195,471)	195,471	-	-	-
Foreign currency translation adjustments	-	-	-	-	(111,321)	-	(111,321)
Net loss for the year	-	-	-	-	-	(3,961,057)	(3,961,057)
Balance, December 31, 2020	**253,238,000**	**$ 42,286,729**	**$ 3,735,994**	**$ 2,501,186**	**$ 891,251**	**$ (46,106,682)**	**$ 3,308,478**
Shares based compensation for options and performance warrants	-	-	172,710	-	-	-	172,710
Expiration of options	-	-	(88,684)	88,684	-	-	-
Forfeiture of options	-	-	(61,250)	61,250	-	-	-
Foreign currency translation adjustments	-	-	602	-	(18,562)	-	(17,960)
Net loss for the year	-	-	-	-	-	(308,138)	(308,138)
Balance, September 30, 2021	**253,238,000**	**$ 42,286,729**	**$ 3,759,372**	**$ 2,651,120**	**$ 872,689**	**$ (46,414,820)**	**$ 3,155,090**

The accompanying notes are an integral part of these consolidated financial statements

Tree of Knowledge International Corp.

Unaudited Interim Consolidated Statements of Cash Flows

For the nine months ended September 30, 2021 and 2020

(Expressed in US Dollars)

		Nine months ended September 30, 2021		Nine months ended September 30, 2020
OPERATING ACTIVITIES				
Net loss	**$**	**(308,138)**	$	(3,903,855)
Items not requiring an outlay of cash:				
Accretion expense		**180,281**		-
Depreciation and amortization		**410,798**		494,692
Gain on derivative liability revaluation		**(170,601)**		-
Gain on convertible debenture revaluation		**(166,757)**		
Interest		**85,223**		143,670
Share based compensation		**172,710**		901,192
Changes in non-cash working capital:				
Trade and other receivables		**198,943**		(1,365,004)
Inventory		**-**		(5,068,984)
Other current assets		**4,508**		(2,379,498)
Accounts payable and accrued liabilities		**(341,482)**		10,773,585
Termination of lease		**-**		(46,976)
Cash Flow From (Used in) Operating Activities		**65,485**		(451,178)
INVESTING ACTIVITIES				
Purchase of equipment		**(6,268)**		(5,453)
Cash Flow From (Used in) Investing Activities		**(6,268)**		(5,453)
FINANCING ACTIVITIES				
Repayment of lease liability		**(149,263)**		(190,407)
Proceeds from Government Loan		**-**		59,974
Proceeds from Convertible Debenture		**-**		449,809
Proceeds from issuances of shares and warrants		**-**		129,884
Gain on termination of lease		**-**		32,108
Shares issued for Joint Venture		**-**		713,521
Cash Flow From (Used in) Financing Activities		**(149,263)**		1,194,889
Net increase (decrease) in cash		**(90,046)**		738,258
Effect of foreign currency translation		**(15,089)**		78,869
Cash at beginning of year		**105,248**		63,432
Cash at end of period	**$**	**113**	$	880,559

The accompanying notes are an integral part of these consolidated financial statements

1) Nature of Operations and Going Concern

Tree of Knowledge International Corp. ("Tree of Knowledge", or "TOKI") is incorporated under the Business Corporations Act in the Province of British Columbia. TOKI and its subsidiaries (collectively referred to as the "Company") operate a business in the field of medical clinics focused on chronic pain management serving the Greater Toronto Area. The Company's shares are listed under the symbol "TOKI" on the Canadian Securities Exchange ("CSE") in Canada and on the Jamaican Stock Exchange ("JSE"). On November 17, 2021, CSE approved a name change and share consolidation, and on November 18, 2021, the Company began trading under the new symbol "OMIC" (see Note 13). The address of the Company's registered office is 209-5460 Yonge Street, Toronto, ON, M2N 6K7, Canada.

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company has a net loss for the nine months ended September 30, 2021 of $308,138 (2020 - $3,903,855) and positive cash flows from operating activities of $65,485 (2020 – negative cash flows of $451,178). In addition, as at September 30, 2021 the Company has an accumulated deficit of $46,414,820 (December 31, 2020 - $46,106,682) and working capital deficiency of $2,412,610 (December 31, 2020 - $2,598,658). These conditions indicate the existence of material uncertainties which cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, to resolve its litigation and to continue to obtain financing sufficient to meet current and future obligations and/or restructure the existing liabilities. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

2) Basis of Preparation

Statement of compliance

These unaudited interim condensed consolidated financial statements for the nine month ended September 30, 2021 and 2020 ("financial statements"), including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved and authorized by the Board of Directors on November 30, 2021.

2) Basis of Preparation (Continued)

Basis of measurement

These financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2020 annual financial statements.

These financial statements have been prepared on a historical cost basis. The financial statements are presented in US dollars unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

3) Significant Accounting Policies

These financial statements are comprised of the accounts of the Company and its subsidiaries. These financial statements have been prepared using accounting policies consistent with those used in the annual consolidated financial statements.

4) Accounts Receivable

The following is a breakdown of accounts receivable:

As at		September 30, 2021		December 31, 2020
Trade receivable	$	50,449	$	42,632
Other receivables	$	102,749	$	308,621
Expected credit losses (Note 11(a))	$	(16,512)	$	(15,624)
Total accounts receivable	**$**	**136,686**	**$**	**335,629**

The credit risk on the receivables has been further discussed in Note 11. The Company holds no collateral for any receivable amounts outstanding as at September 30, 2021 and December 31, 2020.

(Expressed in US Dollars unless otherwise stated)

5) Property and Equipment

The following is a breakdown of activity in property and equipment:

Cost	Equipment	Leasehold Improvements	Total
Balance, December 31, 2019	**$ 101,435**	**$ 497,241**	**$ 598,676**
Additions	5,504	-	5,504
Impairment	(31,768)	(396,190)	(427,958)
Impact of foreign exchange	631	(11,255)	(10,624)
Balance, December 31, 2020	**$ 75,802**	**$ 89,796**	**$ 165,598**
Additions	6,268	-	6,268
Impact of foreign exchange	(123)	(63)	(186)
Balance, September 30, 2021	**$ 81,947**	**$ 89,733**	**$ 171,680**

Accumulated Amortization	Equipment	Leasehold Improvements	Total
Balance, December 31, 2019	**$ 24,699**	**$ 48,180**	**$ 72,879**
Depreciation	25,408	54,387	79,795
Impairment	(6,162)	(68,615)	(74,777)
Impact of foreign exchange	1,529	206	1,735
Balance, December 31, 2020	**$ 45,474**	**$ 34,158**	**$ 79,632**
Depreciation	17,168	11,191	28,359
Impact of foreign exchange	(222)	(148)	(370)
Balance, September 30, 2021	**$ 62,420**	**$ 45,201**	**$ 107,621**

Net Book Value	Equipment	Leasehold Improvement	Total
Balance, December 31, 2019	$ 76,736	$ 449,061	$ 525,797
Balance, December 31, 2020	$ 30,328	$ 55,638	$ 85,966
Balance, September 30, 2021	**$ 19,527**	**$ 44,532**	**$ 64,059**

(Expressed in US Dollars unless otherwise stated)

6) Intangible Assets

The following is a breakdown of activity in intangible assets:

		Patent (i)		Patient Relationships (ii)		Brand Names (iii)		Total
Cost								
Balance, December 31, 2019	**$**	**512,781**	**$**	**3,089,775**	**$**	**4,737,450**	**$**	**8,340,006**
Additions		-		-		-		-
Impairment		(61,100)		(447,756)		(915,373)		(1,424,229)
Impact of foreign exchange		7,033		38,106		46,150		91,289
Balance, December 31, 2020	**$**	**458,714**	**$**	**2,680,125**	**$**	**3,868,227**	**$**	**7,007,066**
Impact of foreign exchange		(324)		(1,893)		(2,732)		(4,949)
Balance, September 30, 2021	**$**	**458,390**	**$**	**2,678,232**	**$**	**3,865,495**	**$**	**7,002,117**
Accumulated Amortization								
Balance, December 31, 2019	**$**	**94,010**	**$**	**386,222**	**$**	**-**	**$**	**480,232**
Amortization		99,292		373,928		-		473,220
Impact of foreign exchange		(7,216)		(27,825)		-		(35,041)
Balance, December 31, 2020	**$**	**200,518**	**$**	**787,975**	**$**	**-**	**$**	**988,493**
Amortization		69,528		253,894		-		323,422
Impact of foreign exchange		(911)		(3,366)		-		(4,277)
Balance, September 30, 2021	**$**	**269,135**	**$**	**1,038,503**	**$**	**-**	**$**	**1,307,638**
Net Book Value								
Balance, December 31, 2019	$	418,771	$	2,703,553	$	4,737,450	$	7,859,774
Balance, December 31, 2020	$	258,196	$	1,892,150	$	3,868,227	$	6,018,573
Balance, September 30, 2021	**$**	**189,255**	**$**	**1,639,729**	**$**	**3,865,495**	**$**	**5,694,479**

(i) Patent

On January 29, 2019, the Company acquired a patent through the issuance of 4,036,362 common shares. The shares were issued at CAD$0.165 per share for total consideration of $502,035 (CAD$666,000).

(ii) Patient Relationships

The Company acquired Asterion's continuing operations including its relationships with patients. The Company utilized a Multi-Period Excess Earnings Method ("MEE Method") in arriving at the fair value of Patient Relationships. Such an approach was deemed appropriate as Asterion has existing recurring revenues from its patient base and is projecting continued revenues and net income going forward. Further, such an approach considers the value of the cash flows that will be available to the Company from the existing patient base.

(Expressed in US Dollars unless otherwise stated)

6) Intangible Assets (Continued)

(iii) Brand Names

The Company acquired Asterion's subsidiaries' brand names. Management deemed it appropriate to utilize a Relief from Royalty Method in arriving at the fair value of the brand name. The Relief from Royalty Method is based on the proposition that a firm would be willing to pay a royalty in lieu of ownership, to possess the benefits of the brand names.

7) Right-of-use Assets

The Company recognized right-of-use assets for its premises lease and equipment leases as following:

Right-of-use Assets		Premises		Equipment		Total
Balance, December 31, 2019	$	**1,495,061**	$	**138,065**	$	**1,633,126**
Depreciation		(104,437)		(33,779)		(138,216)
Impairment of long-term assets		(761,753)		(65,725)		(827,478)
Impact on foreign exchange		(16,405)		(2,561)		(18,966)
Balance, December 31, 2020	$	**612,466**	$	**36,000**	$	**648,466**
Depreciation		(50,622)		(8,395)		(59,017)
Impact on foreign exchange		128		67		195
Balance, September 30, 2021	$	**561,972**	$	**27,672**	$	**589,644**

8) Lease Liability

The following details the Company's lease liability:

Balance, December 31, 2019	$	**1,685,275**
Interest expenses on lease obligation		172,855
Rent payments		(238,449)
Derecognition		(685,410)
Impact of foreign exchange		30,367
Balance, December 31, 2020	$	**964,638**
Interest expenses on lease obligation		85,223
Rent payments		(149,263)
Impact of foreign exchange		27
Balance, September, 2021	$	**900,625**
Current portion		179,357
Non-current portion		721,268
Balance, September, 2021	$	**900,625**

When measuring the lease obligation, the Company discounted the remaining lease payments using its incremental borrowing rate which is 12% per annum.

(Expressed in US Dollars unless otherwise stated)

9) Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are as follows:

As at		September 30, 2021		December 31, 2020
Trade payables	$	884,955	$	1,100,123
Payroll related liabilities		-		11,242
Accrued liabilities		424,166		487,264
Contingency Liability		41,206		93,179
Total accounts payable and accrued liabilities	**$**	**1,350,326**	**$**	**1,691,808**

10) Loss per Share

For the nine months ended September 30, 2021, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $308,138 (2020 – net loss of $3,903,855) and the weighted average number of common shares outstanding of 253,238,000 (2020 – 240,041,347) for basic and diluted loss per share. Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

11) Financial Instruments and Financial Risk Management

The Company is exposed to minimal credit risk attributable to customers. Additionally, the majority of the Company's cash is in major Canadian and US banks in general interest-bearing accounts.

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation, resulting in financial loss to the Company. Such risks arise primarily from certain financial assets held by the Company consisting of accounts receivable. The Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company monitors cash on a regular basis and reviews expenses and overhead to ensure costs and commitments are being paid in a timely manner.

Accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

11) Financial Instruments and Financial Risk Management (Continued)

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is currently not exposed to interest rate risk as all interest-bearing instruments are carried at fixed interest rates.

(d) Currency Risk

As at March 31, 2021, the Company had functional currency of Canadian dollars. Currency risk arises on financial instruments that are denominated in a foreign currency, i.e., in a currency other than the functional currency in which they are measured. Management closely monitors the fluctuation of the Company's foreign currency, and management believes the foreign currency exchange risk derived from its other activities is low and therefore does not hedge the foreign currency exchange risk arising from these activities.

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices as the equity investments have been fully impaired.

12) Commitments and Contingencies

a) As of January 15, 2019, the Company entered into a research agreement whereby the Company sponsors the development of new technologies in collaboration with Ryerson University. Under the agreement, the Company has committed to paying $268,767 over the next two years of which $130,450 was paid in the year ended December 31, 2020 (2019 - $32,972), and remainder of $103,087 to be spent in 2022.

b) On August 6, 2020, the Company was named in a statement of claim filed by CHU. The claim sought damages of approximately $11,200,000 USD, as well as punitive damages of $500,000 CAD. The contract in dispute was with respect to certain personal protective equipment sold by TOK NV to the Plaintiff as arranged by a former US-based officer of the Company without the Company's involvement, from which there was no material net benefit to the Company. It was assumed that control was effectively lost from January 1, 2020 and thus TOK NV has been derecognized from these consolidated financial statements for 2020, which resulted in a 2020 loss on legal settlement of $175,177 and a 2020 gain on loss of control of subsidiaries of $1,677,086. On May 25, 2021, the claim was settled, and settlement has been accrued for $52,500 CAD as at September 30, 2021, payable in monthly payment of $7,500 CAD, commencing July 1, 2021.

12) Commitments and Contingencies (Continued)

c) The Company is subject to litigation, claims and governmental and regulatory proceedings arising in the ordinary course of business. The Company accrues a loss contingency for these lawsuits and claims when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. While the outcome of these lawsuits and claims cannot be predicted with certainty, it is the opinion of the Company's management that the loss for any litigation matters and claims that are reasonably possible to occur will not have a material adverse effect, individually or in the aggregate, on its consolidated financial position, cash flows or results of operations.

13) Subsequent Events

On October 1, 2021, the Company issued press release regarding an official name change of the Company from Tree of Knowledge International Corp. to Optima Medical Innovations Corp. and share consolidation on a five for one basis. The Canadian Securities Exchange approved the name change and share consolidation on November 17, 2021. As of November 18, 2021, the Company began trading on a post-consolidation basis under the new stock symbol "OMIC".