ANNUAL INFORMATION FORM

Mednow.ca

Mednow Inc.

4484 Main Street
Vancouver, British Columbia, V3V 5R5
Telephone: 855-686-6300
E-Mail: IR@mednow.ca

For the year ended July 31, 2021

Dated February 11, 2022

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EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

In this annual information form (this "**AIF**" or "**Annual Information Form**"), unless the context otherwise requires, the "**Company**" or "**Mednow**" refers to Mednow Inc. This AIF applies to the business activities and operations of the Company for the financial year ended July 31, 2021. Unless otherwise indicated, the information in this AIF is given as of February 11, 2022.

This AIF contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

This AIF contains references to Canadian dollars and United States dollars. References in this AIF to "Cdn$" are to Canadian dollars. References in this AIF to "USD$" are to US dollars. Any references to "$" not preceded by "Cdn" or "US" are to Canadian dollars. On February 10, 2022, the closing exchange rate for US dollars to Canadian dollars, as quoted by the Bank of Canada was USD$1.00:CAD$1.2682 (CAD$1.00:USD$0.7885).

Cautionary Statement Regarding Forward-Looking Information

This AIF and the Company's other public disclosure contain "forward-looking information" within the meaning of applicable Canadian securities laws ("**forward-looking information**") concerning the Company's business plans, including, but not limited to, anticipated results and developments in the Company's operations in future periods and other matters that may occur in the future. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "target", "scheduled", "estimates", "forecasts", "intends", "anticipates", "determine", "continue", "projects", "potential", "proposed" or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "whether to", "would", "should", "likely", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. Forward-looking information contained in this AIF includes, but is not limited to, statements regarding:

- the competitive and business strategies of the Company;
- market prices, values and other economic indicators;
- receipt and timing of governmental approvals;
- the performance of the Company's business and operations;
- the intention to grow the business, operations and potential activities of the Company;
- the competitive conditions of the industry;
- whether the Company will continue to be in compliance with regulatory requirements;
- the Company's intention to build valuable intellectual property and the anticipated benefits therefrom;
- analyses and other information based on expectations of future performance and planned products;
- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- timing, costs and potential success of future activities on the Company's facilities and projects;

- future outlook and goals;
- whether the Company will have sufficient working capital and its ability to raise additional financing required in order to continue development of its business and continue operations;
- leasehold improvements at Pharmacies;
- increases in order volume;
- improvements to the Company's consumer applications;
- acquisition of automation equipment used in retail pharmacies;
- the Company entering into additional pharmacy agreements;
- the Company's expected reliance on key management personnel, advisors and consultants;
- the Company's compensation policy and practices;
- effects of the novel coronavirus ("**COVID-19**") pandemic; and
- planned expenditures and budgets and the execution thereof.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about:

- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- general economic, financial market, regulatory and political conditions in which the Company operates;
- general demand and consumer interest in the Company's products;
- competition;
- anticipated and unanticipated costs;
- the ability of the Company to obtain financing on acceptable terms;
- the ability of the Company to procure equipment and operating supplies in sufficient quantities and in a timely and cost-efficient manner;
- the ability of the Company to enter into contractual arrangements with additional Pharmacies;
- the ability of the Company to locate and purchase automation equipment as anticipated;
- future order volume;
- the accuracy of budgeted costs and expenditures;

- future currency exchange rates and interest rates;
- government regulation of the healthcare industry;
- the timely receipt of any required governmental, regulatory and third-party approvals, license and permits on favourable terms and any required renewals of the same;
- political and regulatory stability;
- requirements under applicable laws;
- stability in financial and capital markets;
- the ability of the Company to obtain qualified staff and in a timely and cost-efficient manner;
- expectations regarding the level of disruption as a result of COVID-19; and
- the ability of the Company to conduct operations in a safe, efficient and effective manner.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, by their very nature, forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, events, results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation, those related to:

- the industry-wide risks;
- fluctuations in capital markets and share prices;
- price volatility;
- risks related to the ability to obtain financing needed to fund the continued development of the Company's business;
- the Company’s ability to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business;
- the Company’s ability to manage anticipated and unanticipated costs;
- risks related to possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- risks associated with political instability;
- risks related to securing and protecting the Company's intellectual property rights;

- risks related to the Company's failure to obtain necessary regulatory approvals as scheduled or at all;
- risks related to the Company's inability to maintain or improve its competitive position;
- risks related to the Company's ability to establish its business internationally;
- risks related to the Company's failure to retain key personnel and hire additional personnel needed to develop its business;
- risks related to the performance of the Company’s directors and officers;
- risks related to the Company's failure to adequately evaluate its current business and its future prospects;
- risks outside of the control of the Company;
- risks related to potential conflicts of interests involving the Company’s directors and officers that are not resolved in favour of the Company;
- risks related to security breaches;
- risks related to software errors and defects;
- risks related to internal controls and the reliability of financial reporting and financial statement preparation;
- the impact of securities or industry analysts not publishing research or publishing inaccurate or unfavourable research about the Company’s business;
- the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company’s business;
- the Company’s ability to implement its growth strategy;
- the Company’s ability to manage its growth;
- the Company’s dependence on information technology systems;
- the Company’s failure to maintain, promote and enhance its brand status;
- dependence on customer internet access and customer use of the internet for commerce;
- market conditions, volatility and global economic conditions;
- dilution from future equity financing;
- environmental risks;
- governmental regulations;
- costly reporting requirements;

- restrictions imposed by the TSX Venture Exchange and other regulatory authorities on the Company's business;
- risks related to regulatory reform on drug pricing and pharmacy fees, and healthcare regulation in general;
- risks related to the Company's operating pharmacies in the provinces of British Columbia, Ontario and Nova Scotia;
- risks related to foreign exchange rate fluctuations, as applicable;
- risks related to confidentiality and security of personal and health information;
- risks related to the Company's reliance on strategic partnerships;
- risks related to protection of intellectual property;
- insurance and tax risks;
- reputational risks;
- reliance on third parties for real estate and fulfilment of orders;
- general risks and uncertainties related to the Company's prospects and business strategy;
- public health crises such as the COVID-19 pandemic, and any worsening thereof, having an adverse impact on the Company's business; and
- the risks described in the section of this AIF entitled *"Risk Factors"*.

This is not an exhaustive list of the risks and factors that may affect the Company's forward-looking information. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events, conditions, results, performance or achievements not to be as anticipated, estimated or intended. In addition to those discussed in this AIF, please refer to the risks described in the Company's public disclosure record.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained in this AIF. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to publicly update or revise any forward-looking information other than as required under applicable securities laws.

DEFINITIONS AND GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF, including the summary that follows. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Certain additional terms are defined within the body of this AIF and in such cases will have the meanings ascribed thereto.

2020 Stock Option Plan	Has the meaning ascribed thereto under the heading "*Description of Capital Structure – Options – 2020 Stock Option Plan*".
2021 Stock Option Plan	Has the meaning ascribed thereto under the heading "*Description of Capital Structure – Options – 2021 Stock Option Plan*".
Agents	Gravitas, Eight Capital and Stifel Nicolaus Canada Inc. and the syndicate of agents.
Agents' Unit	A unit of the Company comprised of one Common Share and one-half of one Warrant, with each whole Warrant entitling the holder to purchase one additional Common Share at a price of $8.50 per Common Share for a period of two years from the date of issue, subject to adjustment.
Agents' Warrant	A warrant of the Company exercisable into one Agents' Unit at a price of $6.75 until March 4, 2023.
AIF	This Annual Information Form.
Audit Committee	Audit Committee of the Board.
BCBCA	The *Business Corporations Act* (British Columbia).
Board	The board of directors of the Company.
Capital Contribution Agreement	The capital contribution agreement dated February 24, 2021 among the Company, the Reyhany-Bozorg (2015) Family Trust, the Campusano (2015) Family Trust, Karim Nassar, Babak Nemati, Lara Holte, Prodigy Capital Corp. and ICAP Ventures Inc.
Care Health	Care Health Inc.
CBCA	The *Canada Business Corporations Act*.
CF Fee Units	A unit of the Company comprised of one Common Share and one-half of one Warrant, with each whole Warrant entitling the holder to purchase one additional Common Share at a price of $8.50 per Common Share until March 4, 2023.
Common Shares	The Class A common shares in the capital of the Company.
Compensation Committee	The Compensation Committee of the Board.
Corporate Governance Committee	The Corporate Governance Committee of the Board.
Doko Medical	Doko Medical Inc., a company incorporated under the CBCA.
Endeavor	Endeavor Trust Company, the registrar and transfer agent of the Company.
Escrow Agreement	The escrow agreement dated February 26, 2021, substantially in TSXV Form 5D – *Tier 2 Surplus Security Agreement*, entered into among the Company, Endeavor, as

	escrow agent, and the Escrowed Mednow Shareholders, in connection with the IPO on March 4, 2021.
Escrowed Mednow Shareholders	Amir Ali Reyhany-Bozorg, Felipe Campusano, Karim Nassar, Kia Besharat, and each of the shareholders of the Company who acquired Common Shares at a price of $0.00001 per Common Share.
Final Exchange Bulletin	The bulletin issued by the TSXV following the closing of the IPO on March 4, 2021.
Gravitas	Gravitas Securities Inc.
Infusicare	Infusicare Canada Inc., a company amalgamated pursuant to the OBCA.
IPO	Initial public offering.
IPO Closing Date	March 4, 2021.
Life Support	Life Support Mental Health Inc., a company incorporated under the BCBCA.
Liquidity Event	The occurrence of any of the following, which results in the Common Shares (or the common shares of a resulting issuer) being listed on (i) a recognized Canadian stock exchange; or (ii) a national United States stock exchange: (i) the Company completing a bona fide public offering of Common Shares under a prospectus or registration statement filed with securities regulatory authorities in Canada or the United States; or (ii) the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger, plan of arrangement, reverse take-over, qualifying transaction or any other business combination or similar transaction.
Liver Care Canada	Liver Care Canada Inc., a company incorporated pursuant to the OBCA.
Lock-up Agreements	Agreements executed in connection with the March 4, 2021 IPO by the Locked-up Persons in favour of the Agents.
Locked-up Period	Has the meaning ascribed to such term under "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer – Lock-up Agreements*".
Locked-up Persons	Each shareholder of the Company and each option holder of the Company as at February 26, 2021.
Locked-up Securities	Has the meaning ascribed to such term under "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer – Lock-up Agreements*".
London Pharmacare	London Pharmacare Inc., a company incorporated pursuant to the OBCA.
Management Services Agreement	The management services agreement dated September 25, 2020 between the Company and Care Health.
Mednow (or the "Company")	Mednow Inc., a company incorporated under the CBCA.
Mednow East	Mednow East Inc., a company incorporated pursuant to the OBCA.
Mednow East Pharmacy Agreement	The pharmacy agreement between the Company and Mednow East dated September 15, 2020, as amended October 30, 2020, to provide Mednow East with non-exclusive marketing and technology services to enable Mednow East to fulfil orders for pharmacy products through the Mednow web and mobile application.
Mednow Pharmacy MB	Mednow Pharmacy MB Ltd., a company incorporated pursuant to the BCBCA.

Mednow Pharmacy NS	Mednow Pharmacy NS Ltd., a company incorporated pursuant to the BCBCA.
Mednow Web App	The Company's proprietary web application to facilitate the sale and distribution of prescription medications and the delivery of virtual care and telemedicine services. The application can be accessed via the web and mobile.
Mednow West	Mednow Pharmacy Inc., a company incorporated pursuant to the BCBCA.
Mednow West Pharmacy Agreement	The pharmacy agreement between the Company and Mednow West dated September 24, 2020, as amended October 30, 2020, to provide Mednow West with non-exclusive marketing and technology services to enable Mednow West to fulfil orders for pharmacy products through the Mednow web and mobile application.
Medvisit	2716725 Ontario Inc., company which operates under the trade name Medvisit, incorporated pursuant to the OBCA.
NI 52-110	National Instrument 52-110, *Audit Committees*.
MI 61-101	Multilateral Instrument 61-101, *Protection of Minority Securityholders in Special Transactions*.
OBCA	The *Business Corporations Act* (Ontario).
New Option Plan	Has the meaning ascribed thereto under the heading "*Description of Capital Structure – Options*".
Options	Incentive stock options granted under the 2020 Stock Option Plan and the 2021 Stock Option Plan.
Pharmacies	Licensed retail pharmacies with which the Company has a contractual arrangement or which the Company owns and operates directly or indirectly through a wholly owned subsidiary of the Company, and "**Pharmacy**" means any one of them.
Pharmacist	Has the meaning ascribed to such term under "*Description of the Business – Process for Filling Prescriptions*".
PillSmart System[1]	The Company's PillSmart medication adherence system.
Securities Legislation	The securities legislation of each of the provinces and territories of Canada and the Exchange Act and U.S. Securities Act each as now enacted or as amended and the applicable rules, regulations, rulings, orders, instruments and forms made or promulgated under such statutes, as well as the rules, regulations, by-laws and policies of the TSXV.
SEDAR	System for Electronic Document Analysis and Retrieval.
Sterling	Sterling Capital Brokers Ltd., a company founded in 2014 and headquartered in Toronto, Ontario.
TruDiagnostic	A United States based epigenetic testing and research company.
TSXV	The TSX Venture Exchange.
United States (or "U.S.")	The United States of America, its territories and possessions, any state of the United States and the District of Columbia.
Warrants	Common Share purchase warrants of the Company entitling the holders thereof to purchase Common Shares.

[1] Trademark pending.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on January 17, 2018, pursuant to the CBCA under the name "Mednow Inc." The head office of the Company is located at 4484 Main Street, Vancouver, British Columbia, V5V 3R3, and the Company's registered office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

On February 23, 2021, the Company amended its by-laws:

1. respecting the borrowing of money to, among other things:

    a. provide the directors of the Company with the power to: (i) limit or increase the amount to be borrowed; (ii) issue, reissue, sell or pledge bonds, debentures, notes or other securities of the Company; (iii) issue, sell or pledge such bonds, notes, debentures or other securities or debt obligations for such sums and at such prices as the directors consider expedient; and (iv) secure such debentures, or other securities, or any other present or future borrowing or liability of the Company, by mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, moveable and immovable property of the Company, and the undertaking and rights of the Company; and

    b. permit the directors of the Company to delegate any or all of the powers set out in point (1) above to any director or officer of the Company to the full extent thereof or such lessor extent as the directors may provide in any such resolution; and

2. relating generally to the conduct of the business and affairs of the Company to, among other things:

    a. ensure the Company's by-laws comply with the CBCA;

    b. subject to the Company's Articles or a unanimous shareholder agreement, provide that the election of directors shall take place at each annual meeting of the shareholders and all of the directors then in office (unless elected for a longer period of time, not to exceed the close of the third annual meeting of shareholders following election) shall retire;

    c. provide the directors with the ability to appoint a committee of directors;

    d. provide for certain administrative matters related to meetings of the Board;

    e. include rules relating to potential conflicts of interests of a director or officer of the Company, such as to require disclosure by a director or officer of his interest in the material contract or proposed material contract with the Company or a subsidiary of the Company;

    f. amend certain matters related to the election or appointment of officers of the Company;

    g. provide for certain administrative matters related to meetings of shareholders of the Company;

    h. provide for registration of transfer of securities and shares of the Company;

    i. provide that no dividend shall bear interest against the Company and that any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert back to the Company; and

j. include rules relating to information available to shareholders.

On February 23, 2021, the Company also amended its Articles as follows:

1. to allow for a minimum of one and a maximum of 10 directors;
2. to amend the existing share transfer restrictions to provide that, at any point in which the Company is not a public company, require that no shares shall be transferred without the express prior consent of the directors of the Company; and
3. to provide the directors with the ability to appoint one or more directors who shall hold office for a term expiring no later than the close of the next annual general meeting of shareholders, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual general meeting of shareholders.

Intercorporate Relationships and Investments

The following table identifies the direct and indirect subsidiaries of the Company, as well as the Company's investments.

Subsidiaries	Jurisdiction of Incorporation	Ownership Interest in Voting Securities
Mednow Pharmacy MB Ltd.	British Columbia, Canada	100%
Mednow Pharmacy NS Ltd.	British Columbia, Canada	100%
Mednow Operations Inc.	Canada	100%
Mednow Medical Inc.	Canada	100% (indirectly through Mednow Operations Inc.)
Mednow Virtual Care Ltd.	Canada	70%
Mednow Pharmacy Services Inc.	Canada	100% (indirectly through Mednow Operations Inc.)
10111132 Manitoba Ltd. dba Mednow MB	Manitoba, Canada	100% (indirectly through Mednow Pharmacy Services Inc)
Mednow Technology Inc.	Canada	100% (indirectly through Mednow Operations Inc.)
Life Support Mental Health Inc.	British Columbia, Canada	Equity interest of 12.3%(1)
2716725 Ontario Inc. dba Medvisit	Ontario, Canada	100% (indirectly through Mednow Medical Inc.)
Mednow Pharmacy Inc.	British Columbia, Canada	100%
Mednow Ontario Ltd.	Ontario, Canada	100% (indirectly through Mednow Pharmacy Services Inc.)
Infusicare Canada Inc.	Ontario, Canada	100% (indirectly through Mednow Pharmacy Services Inc.)

Mednow Liver Care Inc.	Ontario, Canada	100% (indirectly through Mednow Pharmacy Services Inc.)
Doko Medical Inc.	Canada	Convertible debenture for an equity interest of 2.8%

Notes:

(1) The equity interest in Life Support Mental Health Inc. of 12.3% is as reported in the Company's interim financial statements for the period ended October 31, 2021.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Events Prior to Previous Fiscal Year Ended July 31, 2020

Mednow Inc. was incorporated under the CBCA on January 17, 2018. The Company did not generate revenue for the period ended July 31, 2018.

On January 10, 2020, the Company engaged an established Canadian application design firm to design the user experience model of the Mednow Web App. The Company completed multiple user tests to optimize the user experience model of the Mednow Web App.

On September 25, 2020, the Company entered into a management services agreement (the "**Management Services Agreement**") with Care Health Inc. ("**Care Health**"), a company of which Felipe Campusano, Treasurer, Corporate Secretary and a director of the Company, and Amir Ali Reyhany-Bozorg, President and a director of the Company, own approximately 38.62% and occupy two of the three board seats. Pursuant to the Management Services Agreement, Care Health would provide the Company with back-office support including, but not limited to, human resources, accounting, general administrative support and advisory services as requested by the Board from time to time, in exchange for payments to Care Health at a fixed rate of $5,000 per month. The Management Services Agreement was effective from September 25, 2020 and has been automatically renewed for subsequent monthly terms, and will continue until the agreement is terminated at the discretion or one or both parties.

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

On July 8, 2020, the Company entered into a scope of work statement with a software development agency based in New York City to develop the Mednow Web App.

On June 30, 2020 and July 10, 2020, the Company completed a brokered and non-brokered private placement of an aggregate of 2,635,274 units at a price of $1.75 per unit, with each unit comprised of one Common Share and one-half of one non-transferable Warrant. Each whole Warrant entitles the holder to purchase, for a period of twenty-four (24) months from the date of a Liquidity Event, one additional Common Share at an exercise price of $2.63 per Common Share. Each of such Warrants issued pursuant to the brokered portion of the financing were issued under and governed by a warrant indenture dated June 30, 2020 among the Company and Endeavor, as warrant agent. In connection with the June 30, 2020 and July 10, 2020 private placements, the Company issued to certain agents and brokers an aggregate of: (i) cash commission totaling $368,938; (ii)

131,764 units on the same terms as the units issued to subscribers; and (iii) 210,822 broker warrants to purchase broker units of the Company at a price of $1.75, with each broker unit consisting of one Common Share and one-half of one Warrant, with each whole Warrant entitling the holder to purchase one Common Share at a price of $2.63 per Common Share for a period of two years from the date of issue.

On July 31, 2020, the Company completed a non-brokered private placement of an aggregate of 49,465 units at a price of $1.75 per unit, with each unit comprised of one Common Share and one-half of one non-transferable Warrant. Each whole Warrant entitles the holder to purchase, for a period of twenty-four (24) months from the date of a Liquidity Event, one additional Common Share at an exercise price of $2.63 per Common Share. In connection with the July 31, 2020 private placement, the Company issued to certain fiscal advisors an aggregate of: (i) cash commission of $6,925.10; and (ii) warrants of the Company to acquire up to an aggregate of 3,957 units, with each unit consisting of one Common Share and one-half of one Warrant, with each whole Warrant entitling the holder to purchase one additional Common Share at an exercise price of $2.63 per Common Share.

Events from August 1, 2020 to Fiscal Year Ended July 31, 2021

On August 25, 2020, the Company entered into an additional agreement for migration to a more secure hosting platform and a redesign of the principal look and feel of the Company's website.

On September 10, 2020, the Company undertook a controlled launch of the Mednow Web App.

On September 15, 2020, the Company entered into a pharmacy agreement (the "**Mednow East Pharmacy Agreement**") with Mednow East, a company controlled by Insiders of Mednow, pursuant to which Mednow will provide Mednow East with non-exclusive marketing and technology services to connect Mednow East with potential customers, and Mednow East will fulfill orders for pharmacy products through the Mednow Web App. Mednow East is a licensed and fully operational pharmacy in the province of Ontario. Each of Karim Nassar, Chief Executive Officer of the Company, Amir Ali Reyhany-Bozorg, President and director of the Company, and Felipe Campusano, Treasurer, Corporate Secretary and director of the Company, are directors of and beneficially control Mednow East. Pursuant to the Mednow East Pharmacy Agreement, Mednow will provide Mednow East with: (i) brand identity packaging which includes Mednow's logo and website information; (ii) pharmacy management software; (iii) access to the Mednow Web App and associated technology and systems; (iv) management services and shipping and delivery of orders; (v) certain robotic and automation equipment; (vi) support staff comprised of pharmacists, pharmacy technicians and pharmacy assistants; and (vii) additional marketing services. In consideration for the services to be provided by Mednow, Mednow East will pay certain monthly fees ranging from $20,700 per month to $38,000 per month to Mednow based on Mednow East's monthly revenues and additional fees for any support staff provided by Mednow. The Mednow East Pharmacy Agreement also includes the following terms:

1. Mednow will provide Mednow East with an on-demand interest free loan in the amount of $450,000, which proceeds shall only be used by Mednow East for purposes approved in writing by Mednow;

2. Mednow East has granted to Mednow a buyout option, whereby, subject to any applicable pre-existing rights of first refusal or other such obligations to sell all of Mednow East's issued and outstanding shares or substantially all of its assets, upon delivery of written notice to Mednow East at any time, Mednow may purchase all the issued and outstanding shares of Mednow East or all or substantially all the assets of Mednow East; and

3. Mednow East has granted to Mednow an exclusivity right, whereby, subject to any applicable pre-existing rights of first refusal or other such obligations to sell all of Mednow East's issued and outstanding shares or substantially all of its assets, neither Mednow East nor any of its shareholders

may: (i) solicit, initiate or entertain proposals or offers from any third party related to the acquisition or purchase of all or any part of Mednow East's issued and outstanding share capital or all or substantially all the assets of Mednow East; (ii) enter into, or continue, any negotiations or discussions with any third party in respect of the sale, assignment or transfer of all or any part of Mednow East's issued and outstanding share capital or all or substantially all the assets of Mednow East; or (iii) furnish any third party any information with respect to the foregoing, including any confidential information, or permit any third party with access to the premises of Mednow East for the purposes of enabling such third party to make a determination as to whether to make an offer to acquire all or any part of Mednow East's issued and outstanding share capital or all or substantially all the assets of Mednow East.

On October 30, 2020, the Mednow East Pharmacy Agreement was amended to increase the size of the loan from $450,000 to an on-demand interest free loan in the amount of up to $725,000. As of February 26, 2021, an aggregate amount of $711,371 had been advanced under this amended loan, and $13,629 remained available for Mednow East to draw down upon for purposes approved in writing by Mednow.

On September 24, 2020, the Company entered into a pharmacy agreement (the "**Mednow West Pharmacy Agreement**") with Mednow West, a company controlled by Insiders of Mednow, pursuant to which Mednow will provide Mednow West with non-exclusive marketing and technology services to connect Mednow West with potential customers, and Mednow West will fulfill orders for pharmacy products through the Mednow Web App. Mednow West is a licensed and fully operational pharmacy in the province of British Columbia. Each of Karim Nassar, Chief Executive Officer of the Company, Amir Ali Reyhany-Bozorg, President and director of the Company, and Felipe Campusano, Treasurer, Corporate Secretary and director of the Company, are directors of and beneficially control Mednow West. Pursuant to the Mednow West Pharmacy Agreement, Mednow will provide Mednow West with: (i) brand identity packaging which includes Mednow's logo and website information; (ii) pharmacy management software; (iii) access to the Mednow Web App and associated technology and systems; (iv) management services and shipping and delivery of orders; (v) certain robotic and automation equipment; (vi) support staff comprised of pharmacists, pharmacy technicians and pharmacy assistants; and (vii) additional marketing services. In consideration for the services to be provided by Mednow, Mednow West will pay certain monthly fees ranging from $20,700 per month to $38,000 per month to Mednow based on Mednow West's monthly revenues and additional fees for any support staff provided by Mednow. The Mednow West Pharmacy Agreement also includes the following terms:

1. Mednow will provide Mednow West with an on-demand interest free loan in the amount of $450,000, which proceeds shall only be used by Mednow West for purposes approved in writing by Mednow;

2. Mednow West has granted to Mednow a buyout option, whereby, subject to any applicable pre-existing rights of first refusal or other such obligations to sell all of Mednow West's issued and outstanding shares or substantially all of its assets, upon delivery of written notice to Mednow West at any time, Mednow may purchase all the issued and outstanding shares of Mednow West or all or substantially all the assets of Mednow West; and

3. Mednow West has granted to Mednow an exclusivity right, whereby, subject to any applicable pre-existing rights of first refusal or other such obligations to sell all of Mednow West's issued and outstanding shares or substantially all of its assets, neither Mednow West nor any of its shareholders may: (i) solicit, initiate or entertain proposals or offers from any third party related to the acquisition or purchase of all or any part of Mednow West's issued and outstanding share capital or all or substantially all the assets of Mednow West; (ii) enter into, or continue, any negotiations or discussions with any third party in respect of the sale, assignment or transfer of all or any part of Mednow West's issued and outstanding share capital or all or substantially all the assets of Mednow West; or (iii) furnish any third party any information with respect to the foregoing, including any confidential information, or permit

any third party with access to the premises of Mednow West for the purposes of enabling such third party to make a determination as to whether to make an offer to acquire all or any part of Mednow West's issued and outstanding share capital or all or substantially all the assets of Mednow West.

On October 30, 2020, the Mednow West Pharmacy Agreement was amended to increase the size of the loan from $450,000 to an on-demand interest free loan in the amount of up to $725,000. As of February 26, 2021, an aggregate amount of $645,455 had been advanced under this amended loan, and $79,545 remained available for Mednow West to draw down upon for purposes approved in writing by Mednow.

On February 24, 2021, the Company entered into a capital contribution agreement (the "**Capital Contribution Agreement**") with Reyhany-Bozorg (2015) Family Trust (of which Amir Ali Reyhany-Bozorg, President and director of the Company, is beneficiary), the Campusano (2015) Family Trust (of which Felipe Campusano, Treasurer, Corporate Secretary and director of the Company, is beneficiary), Karim Nassar (Chief Executive Officer of the Company), Babak Nemati, Lara Holte, Prodigy Capital Corp. (controlled by Kia Besharat, director of the Company) and ICAP Ventures Inc. (collectively, the "**Contributing Shareholders**"). Pursuant to the Capital Contribution Agreement, the Contributing Shareholders collectively contributed a total of $250,000 to the Company as a capital contribution in respect of the Common Shares held by each of the Contributing Shareholders.

On February 26, 2021, the final prospectus in respect of the Company's IPO was filed with and accepted by the TSXV and receipted by the securities regulatory authorities in British Columbia and Ontario pursuant to the provisions of applicable Securities Legislation and a deemed receipt was issued in Alberta, Saskatchewan and Manitoba pursuant to Multilateral Instrument 11-102 - *Passport System*.

On March 4, 2021, the Company completed its IPO of an aggregate of 5,492,325 units of the Company (including 307,140 units sold in connection with the exercise of the Agents' over-allotment option) (the "**March Units**") at a price of $6.75 per March Unit for aggregate gross proceeds of $37,073,194. Each March Unit consists of one Common Share and one-half of one Warrant. Each whole Warrant entitles the holder to purchase one additional Common Share at a price of $8.50 per Common Share until March 4, 2023. In connection with this IPO, the Company issued to the Agents and certain fiscal advisors an aggregate of: (i) cash commission of $2,965,856; (ii) 439,386 Agents' Warrants; and (iii) 274,616 CF Fee Units. The Company also incurred the following fees and expenses: (i) legal and syndicate fees of $431,511; and (ii) other direct listing costs of $129,497.

On March 8, 2021, the Company announced that LodeRock Advisors Inc. ("**LodeRock**") will provide investor relations and consulting services to the Company. Under the terms of the agreement with LodeRock, the Company will pay LodeRock a monthly fee of $10,000 in cash for ongoing investor relations and consulting services, which increased to $12,000 per month on July 1, 2021. The Company also issued to LodeRock 50,000 stock options, each exercisable at a price of $1.75 to acquire one Common Share until January 21, 2026.

On March 9, 2021, the Common Shares were listed and started trading on the TSXV under the symbol "MNOW".

On March 11, 2021, the Company entered into an agreement with Native Ads Inc. ("**Native Ads**") to provide a 12-month programmatic digital advertising campaign in connection with the Company's ongoing effort to increase awareness. Under the terms of this agreement, Native Ads will provide a combination of strategic digital media services, marketing co-ordination, content production, and data analytics for a total payment value of $500,000 amortized over the 12-month duration of the agreement.

On March 19, 2021, the Company announced that it filed an application for a pharmacy license with the Manitoba College of Pharmacists through Mednow Pharmacy MB. Following regulatory approvals, Mednow

Pharmacy MB will be a licensed pharmacy that will be regulated by the Manitoba College of Pharmacists as well as provincial and federal regulatory bodies with oversight of pharmacy practices.

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 TSXV. 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 Common Shares in total, being 5% of the total number of 21,877,460 Common Shares outstanding as at March 29, 2021. The share purchases are to be made on the open market through the facilities of the TSXV 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 on behalf of the Company through the facilities of the TSXV. Pursuant to the Bid, the Company purchased, for cancellation, a total of 309,100 Common Shares for $865,955 of cash consideration as follows:

1. April 2021 - 16,800 Common Shares (the purchases were done at various days/times during the month at the prevailing market price);

2. May 2021 – 242,900 Common Shares (the purchases were done at various days/times during the month at the prevailing market price); and

3. July 2021 – 49,400 Common Shares (the purchases were done at various days/times during the month at the prevailing market price). The remainder of 816,555 Common Shares were held by Gravitas on behalf of the Company until they were cancelled by the Company's transfer agent in August 2021.

On April 7, 2021, the Company announced that it entered into an agreement with Independent Trading Group ("**ITG**"), an arm's length party to the Company, to provide market making services for a period of 3-months. Under the terms of the agreement, the Company has agreed to pay ITG a fee of $6,500 per month, plus applicable taxes.

On May 4, 2021, the Company announced that it formed Mednow Virtual Care Ltd. ("**Mednow Virtual Care Company**") to provide virtual and telemedicine services, allowing the Company to offer its patients integrated access to doctors via the Mednow Web App. Mednow Virtual Care Company is owned 70% by the Company, with 15% each owned by companies wholly-owned, respectively, by Mr. Christopher Fisher and Dr. Karim Vellani. Both Mr. Fisher and Dr. Vellani are currently advisors pursuant to their consulting agreements with the Company.

On May 6, 2021, the Company filed an application for a pharmacy license with the Nova Scotia College of Pharmacists through Mednow Pharmacy NS. The Company also secured a lease for a fulfillment center located in Dartmouth, Nova Scotia. Subsequently, on September 7, 2021, the Company received regulatory approval from the Nova Scotia College of Pharmacists and 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 and fills orders from walk-in patients as well as online orders in the province.

On May 16, 2021, the Company entered into a Preferred Pharmacy Provider Agreement (the "**PPAO Agreement**") with the Police Pensioners Association of Ontario (the "**PPAO**"). Through this agreement, the PPAO's over 12,000 members will have access to transparent pricing, free delivery anywhere in Ontario, including free same-day delivery in the Greater Toronto Area, and access to the Company's digital health platform which includes prescription management and telemedicine.

On June 7, 2021, the Company appointed Benjamin Ferdinand as Chief Financial Officer.

On July 7, 2021, the Company announced that it received confirmation from The Depository Trust Company ("**DTC**") that its common shares are eligible for electronic clearing and settlement through DTC in the United States. The DTC eligibility facilitates the trading of the Common Shares on the OTCBQ exchange.

On July 7, 2021, the Company also announced that the Board had approved an amendment to its stock option plan in order to replace the previous rolling stock option plan with a 20% fixed stock option plan. Under the new plan, the Company may issue up to an aggregate total of 4,372,132 stock options to purchase Common Shares of the Company. Additionally, the Company issued 870,000 stock options to certain directors, officers and consultants under the new plan. Approval of the new plan is subject to approval by the TSXV and shareholders of the Company and approval of the stock option grant is subject to disinterested shareholder approval.

On July 9, 2021, pursuant to the terms of an investment agreement, the Company acquired a 10.5% equity interest in Life Support Mental Health Inc. ("**Life Support**"), a privately held Canadian company that has developed mental health solutions for patients. The Company paid cash consideration of $500,000 to Life Support and received 1,265,968 Class C Voting Common shares of Life Support. The Company purchased an additional investment in Life Support on October 18, 2021 (see discussion below).

On July 26, 2021, the Company announced that it had retained Hybrid Financial Ltd. ("**Hybrid**") to provide marketing services to the Company. The Company engaged Hybrid for an initial 6-month period, which will be automatically renewed for successive 3-month periods thereafter, unless the agreement is otherwise terminated. Hybrid will be paid a monthly cash fee of $15,000 (inclusive of all costs and disbursements), plus applicable taxes, during the initial term.

<u>Events Subsequent to Fiscal Year Ended July 31, 2021</u>

On August 5, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of 2716725 Ontario Inc. dba Medvisit ("**Medvisit**"), which provides in-home doctor and patient consultations in the province of Ontario. The base purchase price consisted of cash consideration of $1,320,000 and additional earn-out payments of $107,388 based on milestones tied to Medvisit's business performance over the next two years. The earn-out payments have been discounted using a risk-adjusted discount rate based on the date they are payable. The Company will pay a maximum earn-out of $680,000 over a two-year period following the acquisition date, adjusted based on the target number of annual home visits pursuant to the share purchase agreement.

On September 15, 2021, the Company launched Mednow Virtual Care, a platform to provide virtual care and telemedicine services, facilitated through the Mednow Web App. 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.

On September 21, 2021, the Company entered into a share purchase agreement (the "**Mednow West Agreement**") with Mednow Pharmacy Inc. ("**Mednow West**") and the shareholders of Mednow West, pursuant to which the Company will acquire all of the issued and outstanding shares of Mednow West, which transaction completed on October 25, 2021, as discussed further below. Mednow West is a British Columbia company that operates an online pharmacy, delivering prescriptions in the Province of British Columbia.

On September 28, 2021, the Company announced that it appointed Anthony Perlman as Senior Vice President, Benefits Strategy, and Dave Marantz as Chief Revenue Officer.

On October 7, 2021, the Company entered into a Marketing Services Agreement with Sterling Capital Brokers Ltd. ("**Sterling**"), which allows Sterling to market Mednow's digital pharmacy and healthcare platform to its network of 100,000 plan members.

On October 7, 2021, the Company announced that it engaged Stockhouse Publishing Ltd. ("**Stockhouse**") to provide investor marketing services to the Company for an initial 12-month period, expiring on July 31, 2022. Stockhouse is paid a monthly cash fee of $5,000 during the 12-month period, plus applicable taxes.

On October 18, 2021, the Company paid cash consideration of $250,000 to purchase an additional 473,809 Class C Voting Common shares of Life Support. As of October 31, 2021, the Company has an equity interest of 12.3% in Life Support. 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 Company's agreement with Life Support. The performance milestones and targets were not met as of October 31, 2021.

On October 25, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Mednow West from related parties of the Company for cash consideration of $74,209. The pharmacy is now operational under the trade name Mednow Pharmacy. The amount owed by Mednow West to Mednow, prior to the acquisition, of $979,406, was eliminated as an intercompany loan upon consolidation. As Amir Ali Reyhany-Bozorg, President and director of the Company, Felipe Campusano, Treasurer, Corporate Secretary and director of the Company, and Karim Nassar, Chief Executive Officer of the Company, were each shareholders of Mednow West, the acquisition by the Company of all of the issued and outstanding shares of Mednow West was a related party transaction under MI 61-101.

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 for cash consideration of USD$150,000. 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. The Company expects to start selling testing kits to Canadian patients in early 2022.

On November 24, 2021, the Company closed a $500,000 investment in Doko Medical Inc. ("**Doko Medical**") by way of convertible debenture, which if converted, would equate to a 2.8% equity interest. Doko Medical is a virtual healthcare provider operating across the United States, currently servicing 38 states; it has over 100 physicians and healthcare workers engaged over its platform, which specializes in urgent care, mental health and erectile dysfunction.

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, pursuant to a share purchase agreement dated November 18, 2021 (the "**Infusicare Agreement**") between the Company, Infusicare and the shareholders of Infusicare, some of whom are directors of the Company. The Company paid cash consideration of $1,850,000 at closing. As Amir Ali Reyhany-Bozorg, President and director of the Company, and Felipe Campusano, Treasurer, Corporate Secretary and director of the Company, were each shareholders of Infusicare, the acquisition by the Company of all of the issued and outstanding shares of Infusicare was a related party transaction under MI 61-101.

On December 20, 2021, the Company entered into a share purchase agreement with Liver Care Canada Inc. ("**Liver Care Canada**") and the shareholders of Liver Care Canada, some of whom are directors of the Company (the **Liver Care Purchase Agreement**"). Subject to regulatory approval, the Company will acquire, directly or through an affiliate, all of the issued and outstanding shares of Liver Care Canada for cash consideration of $65,000, and two subsequent earn-out payments in the amount of 0.1x of the revenue generated by Liver Care

Canada in each of its 2022 and 2023 financial years (the "**Liver Care Transaction**"). The acquisition of all of the issued and outstanding shares of Liver Care Canada is a related party transaction under MI 61-101.

On December 20, 2021, the Company entered into a share purchase agreement (the "**London Purchase Agreement**") with London Pharmacare Inc. ("**London Pharmacare**") and the shareholders of London Pharmacare, some of whom are directors of the Company. Subject to regulatory approval, the Company will acquire, directly or through an affiliate, all of the issued and outstanding shares of London Pharmacare for cash consideration of $585,000, and two subsequent earn-out payments in the amount of 0.1x of the revenue generated by London Pharmacare in each of its 2022 and 2023 financial years (the "**London Transaction**"). The acquisition of all of the issued and outstanding shares of London Pharmacare is a related party transaction under MI 61-101.

Business Outlook for the Upcoming Year

The Company's vision is to lead the digital health evolution using a people-first approach with helpful technology and to redefine the pharmacy's role in holistic care.

The Company's core strategic imperatives include continuing its national expansion of the retail pharmacy business across Canada; the pursuit of accretive acquisitions and investments in retail and specialty pharmacies, as well as the broader healthcare industry; the addition of institutional contracts and other business development initiatives to access a larger group of patients; and proactive efforts to increase the user base of the Mednow Web App and other services. In addition, the Company will continue to grow its virtual care and telemedicine business, operating under the trade name Mednow Virtual Care, and its doctor home visits business, Medvisit, which caters to patients who are unable to leave their homes.

During the next 12 months, the Company is on course to open licensed retail pharmacies in the provinces of Manitoba, Alberta, and Quebec, and an additional pharmacy in the province of Ontario. The Company will own and operate brick-and-mortar retail pharmacies in these provinces across Canada, which will allow the Company to further develop brand presence, and serve the majority of orders through home delivery of medications ordered via the Mednow Web App.

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.

The Company will actively continue to negotiate large, institutional contracts, such as the recently signed agreements with the PPAO and Sterling Capital Brokers Ltd. These contracts are expected to result in a lower cost of customer acquisition than traditional retail consumers.

DESCRIPTION OF THE BUSINESS

Summary

Mednow is a healthcare company that has developed a proprietary web application (the Mednow Web App) to facilitate the sale and distribution of prescription medications, and the delivery of virtual care and telemedicine services. The Company's application is accessible and compatible with the internet browsers Safari, Google Chrome, Mozilla FireFox, and Microsoft Edge on mobile phones and on personal computers. Through its proprietary technological infrastructure, the Company provides customers with a convenient and secure way to fill, order, receive and manage their prescriptions without having to physically attend a brick-and-mortar pharmacy.

On August 5, 2021, the Company acquired Medvisit, a business that provides 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 has served over 400,000 patients served since inception.

On December 10, 2021, the Company completed the acquisition of 100% of the issued and outstanding shares of Infusicare, a London, Ontario, based retail specialty pharmacy that primarily sells biologic drugs, which are one of the fastest growing pharmaceutical product segments in Canada.

Regulatory Environment

Mednow owns and operates licensed pharmacies in the provinces of British Columbia, Ontario and Nova Scotia, and each pharmacy is governed by provincial legislation: *Drug and Pharmacies Regulation Act* (Ontario), *Pharmacy Operations and Drug Scheduling Act* (British Columbia) and *Pharmacy Act* (Nova Scotia) and *Pharmacy Practice Regulations* (Nova Scotia).

In Ontario, no corporation may own or operate a pharmacy unless a majority of the directors of the corporation are pharmacists and a majority of the share ownership is comprised of pharmacists holding a valid certificate of authorization issued by the Ontario College of Pharmacists. While the ownership and operation requirements are less stringent in British Columbia, pharmacies may only be owned by pharmacists, a corporation with a majority of directors who are pharmacists, a hospital, a university, the government and certain other entities, such as an association incorporated under the *Cooperative Association Act* (British Columbia). In the province of Nova Scotia, a person or corporation that proposes to open a new pharmacy must apply for accreditation of the pharmacy and the receipt of a pharmacy license. These terms and conditions are mandated by the Nova Scotia College of Pharmacists. Accreditation for a pharmacy is issued in the name of the owner. A pharmacy license is issued in the name of the pharmacist who is a manager of the pharmacy. The Company enters into consulting agreements with doctors who provide virtual care and telemedicine services. Prior to entering into such consulting agreements, the Company verifies that its doctors are licensed by the College of Physicians and Surgeons of Ontario. The Company's virtual care and telemedicine services are currently offered in Ontario.

The Opportunity

The majority of healthcare services are currently accessed through brick-and-mortal retail stores. As a result of evolving consumer spending patterns and since the onset of the COVID-19 pandemic, the demand for virtual healthcare services, such as the ability to order and receive prescription medications at home in a contactless and timely manner, and the ability to consult with a doctor through virtual and telemedicine platforms, has increased significantly. Mednow is well positioned to operate in the healthcare services industry through its state-of-the-art, easy access, online technological infrastructure; established commercial relationships with traditional brick-and-mortar retail drug stores; and through management's extensive knowledge and expertise of pharmacy supply chain, logistics, economics, operations, and regulatory requirements.

Statement on COVID-19

The outbreak of COVID-19 has spread across the globe and is continuing to impact and in some cases disrupt, worldwide economic activity. Conditions surrounding COVID-19 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 COVID-19 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 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. See "*Risk Factors*".

Production and Services

Retail Pharmacies

The Company owns and operates three retail pharmacies located in British Columbia, Ontario, and Nova Scotia.

The Company's brick-and-mortar retail pharmacy in London, Ontario operates under the brand name Infusicare Canada Inc., specializing in the sale of biologic prescription drugs, which are one of the fastest growing pharmaceutical product segments in Canada. Biologic drugs are genetically engineered proteins that target specific parts of the immune system that fuel inflammation. The high cost of biologic drugs, with treatment costs ranging from thousands to tens of thousands of dollars per year per patient, as well as their continued growth in usage, have contributed to a significant increase in pharmaceutical expenditure. Infusicare serves walk-in patients from its location based in London, Ontario, and delivers prescription medications to patients in the province of Ontario. In the future, the Company expects to offer same-day delivery service for patients in London, Ontario, and to integrate the London, Ontario based pharmacy with its proprietary Mednow Web App, which enable patients to order prescription and over-the-counter medications using online channels. The Company completed the acquisition of Infusicare on December 10, 2021, and will report revenues from Infusicare as part of its consolidated financial statements in its future financial statements filings.

The Company also owns and operates brick-and-mortar pharmacies located in Vancouver, British Columbia and Dartmouth, Nova Scotia, which generate revenue from the sale of prescription and over-the-counter medications, through walk-in and online channels. The Company's Nova Scotia pharmacy opened for business on September 7, 2021, following receipt of regulatory approvals. The Company completed the acquisition of Mednow West on October 25, 2021, and currently owns and operates the pharmacy based in Vancouver, British Columbia. During the fiscal period ended October 31, 2021, the Company generated revenue of $17,022 from its retail pharmacies in Nova Scotia and British Columbia (the Company generated no revenue in its fiscal year 2020). Both pharmacies opened for business in the fall of 2021.

Doctor Services

The Company provides doctor services through its virtual care and telemedicine services, facilitated through the Mednow Web App, 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. In the majority of cases, the Company pays the doctor 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 relevant provincial health care plan, whereas 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. During the period ended October 31, 2021, the Company generated revenue of $433,127 from virtual care and telemedicine services (the Company generated no revenue in its fiscal year 2020). The Company started offering doctor services, including virtual care, telemedicine services and doctor home-visits in the fiscal year 2021.

Virtual care and telemedicine refers to the provision of health care services, including preventative, diagnostic and treatment services, remotely to patients with the use of audio, video and other information and communications technology. In recent years, interest in the telemedicine industry has increased significantly, driven largely by challenges surrounding timely access to healthcare and the rise of consumer/patient demand (including in response to the COVID-19 pandemic). In January 2021, the Company entered into strategic business advisory agreements regarding the establishment of a Mednow telemedicine solution. The Company has entered into consulting agreements with Christopher Fisher, who currently serves as Director of Operations for the University of Ottawa Health Services, and Dr. Karim Vellani, the founder and Medical Director of a virtual care company, pursuant to which these individuals will use their expertise in the virtual care and telemedicine industry to assist the Company in continuing to develop and grow the Company's virtual care and telemedicine services . Among other things, Christopher Fisher and Dr. Karim Vellani will: (i) continue to develop a business plan for the Company, with the intent of commercializing the telemedicine business; (ii) identify and review strategic opportunities, including potential mergers, acquisitions, introductions and relationships; and (iii) provide operational advice and troubleshooting services in respect of such services.

Pharmacy Agreement

The Company provides marketing and technology support services to Mednow East and Mednow West. During the period ending October 31, 2021, the Company generated revenue of $120,194 pursuant to its pharmacy agreements with Mednow East and Meednow West (in the Company's fiscal year 2020, it generated revenue of $414,000). Following the completion of the Company's acquisition of Mednow West on October 25, 2021, the terms and conditions of the Mednow West Pharmacy Agreement, including the service fee revenue, were terminated. The financial results of Mednow West are reported as part of the consolidated financial statements of the Company.

Investment in Life Support Mental Health Inc.

On July 9, 2021, pursuant to the terms of its subscription agreement, the Company acquired an equity interest in Life Support, a privately held Canadian company that has developed mental health solutions for patients. Through this strategic investment, the Company expects to expand and diversify its portfolio of healthcare services that it can provide to its patients. The Company holds significant influence over Life Support's financial and operating policy decisions through its representation on Life Support's Board of Directors.

Life Support is a medical technology company focused on bridging the gap between medical and mental health professionals through clinical support in the assessment and triage of mental health issues. Life Support will use the Company's investment to further develop its Mental Health Check platform, enhance its service offering and drive revenue growth.

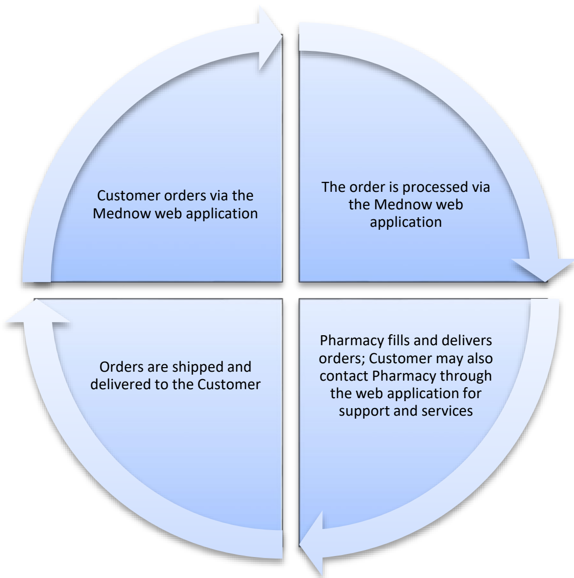
Investment in TruDiagnostic

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

Investment in Doko Medical Inc.

On November 24, 2021, the Company paid cash consideration of $500,000 by way of a convertible debenture to acquire a 2.8% equity interest in Doko Medical, a strategic investment that will allow the Company to continue to expand its virtual care and telemedicine services to 38 states in the United States. 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.

Order Fulfillment Processes



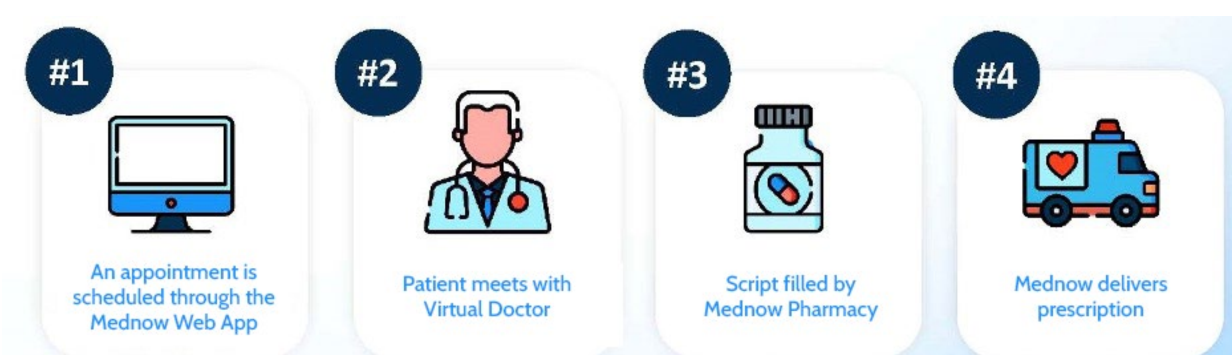
The standard operating procedure for the fulfillment of orders at Pharmacies is outlined in the above diagram and is comprised of:

1. **Customer Acquisition** – customers order products through the Mednow Web App or at the Company's brick-and-mortar pharmacies, which are advertised to the general public;

2. **Order Intake** – all online orders are communicated to the Pharmacy via the Mednow Web App;

3. **Order Fulfillment** – the Pharmacy fulfills received orders using a pharmacy management system for prescription orders. The orders are organized in a Mednow branded prescription bag or box that will include monthly promotional items; and

4. **Order Delivery** – the order is then shipped and delivered to the customer in accordance with the process outlined herein.



The standard operating procedure for the fulfillment of virtual care and telemedicine care is outlined in the above diagram and is comprised of:

1. **Online Appointment Request** – customers request an appointment through the Mednow Web App;

2. **Virtual Appointment** – customers attend a virtual appointment with a doctor facilitated through the third-party virtual care and telemedicine platform that the Company uses;

3. **Filling Prescriptions** – once the customer has consented to the Pharmacy filling the customer's prescription, all orders are communicated to the Pharmacy and the Pharmacy fulfills received orders in a Mednow branded prescription bag that will include monthly promotional items; and

4. **Order Delivery** –the order is shipped and delivered to the customer in accordance with the process outlined herein.

The virtual care and telemedicine services are currently offered in Ontario. The Company expects to serve patients across Canada in the future.

Process for Filling Prescriptions

Customers are currently able to use the following methods to fill prescriptions through Mednow's technological infrastructure:

1. **Fax, Telephone or Electronic Transmission** – Through the Mednow Web App, a customer may initiate a request for the Pharmacy to contact such customer's physician for the customer's prescription. The request will be uploaded to the web application. Once the prescription fulfillment request is retrieved by the Pharmacy, the Pharmacy will contact the physician who will then either fax the prescription to the Pharmacy, provide an electronic transmission of the prescription to the Pharmacy or, in the case of a verbal order, a pharmacist from the Pharmacy (the "**Pharmacist**") will phone the physician who will then provide a verbal order to the Pharmacist. At this point, the prescription may be filled.

2. **Paper Prescription** – Through the Mednow Web App, a customer may upload a digital copy of a physical prescription which will be retrieved by the Pharmacist through the web application. The Pharmacist will then provide price quotes and an availability update to the customer. The Pharmacist will then send a driver to pick up the physical prescription, or contact the customer's physician to receive the prescription through fax, telephone or electronic transmission as noted above.

3. **Direct Request to Pharmacist** – Through the Mednow Web App, a customer may make a request directly to a Pharmacist to fill a prescription. The Pharmacist will retrieve such request from the application, review the customer's profile including a review of the customer's other prescriptions process through the Mednow web application. If the Pharmacist requires further confirmation of the prescription from the customer's physician, the Pharmacist may contact the customer's physician to receive the prescription through fax, telephone or electronic transmission as noted above.

Customers are also able to use the following methods to refill prescriptions:

1. **Profile –** If a prescription is uploaded to a customer's profile, the customer may request a refill for such prescription via the Mednow web application. The Pharmacist will retrieve such request from the application and fill the prescription accordingly.

2. **Transfer –** Through the Mednow web application, a customer may request the transfer of an existing prescription from a third-party pharmacy. The Pharmacist will retrieve such request from the application and contact the third-party pharmacy by phone. The transfer may then be completed via fax, at which point the Pharmacist will be able to refill the prescription. The Pharmacy may contact the customer's physician to confirm the prescription (in accordance with the steps outlined above).

Payment and Delivery

The Mednow web application supports direct payment by connecting customers to the applicable Pharmacy's own payment portal, depending on the customer's jurisdiction of domicile. For instance, a customer domiciled in British Columbia will be directed to the Mednow West payment portal. Each Pharmacy's payment portal accepts payment processing through debit and major credit cards, which payment is rendered directly into the applicable Pharmacy's bank account.

Customers with health coverage through third party providers that support direct billing may enter their third-party coverage information into the Mednow Web App to enable the provider to remit payment directly to the applicable Pharmacy. If the cost of the prescription is not fully covered by the third-party provider, the customer will be required to pay the balance owing through the applicable Pharmacy's portal. A customer's payment and health coverage information may be saved onto their profile on the Mednow Web App to allow for a faster more convenient payment process for subsequent prescriptions.

The Company is capable of delivering prescriptions in Ontario, Nova Scotia and British Columbia, as applicable. The Company has engaged a delivery team and has agreements with third-party providers for delivery services in the Greater Toronto area and the Metropolitan Vancouver area, allowing the Company to offer same day or next day delivery in the Greater Toronto area and the Metropolitan Vancouver area. For any deliveries outside of these areas, or in the event that the Company's delivery capacity is constrained or not yet in services, the Company has established agreements with third-party courier services to complete the deliveries.

PillSmart System[2]

The Company uses its proprietary PillSmart medication adherence system (the "**PillSmart System**") to assist customers who require multiple daily medications on an ongoing basis (such as those living with chronic conditions) by filling, organizing and delivering their prescriptions. The PillSmart System is offered to customers in British Columbia and Ontario on an opt-in basis, at no additional cost, and is fulfilled using Mednow's pharmacy automation equipment. Under the PillSmart System, the Pharmacy reviews a customer's prescriptions and determines the appropriate date and time for the customer to take the medications. This data is then entered into an automated robotic packaging system, also known as pharmacy automation equipment, located at the Pharmacy, which in turn sorts the medications by date and time into individual cellophane pouches. Each pouch is labelled with the names of the medications it contains, along with the date and time that they should be taken. The pouches are put in boxes and delivered directly to the customer. The customer is then able to easily identify when each medication should be taken in accordance with the customer's specific needs. Changes and adjustments can also be made depending on the customer's needs and in collaboration with the customer's doctor. Under the PillSmart System, a customer's prescriptions are all filled and delivered at the same time, which enables the Company to determine when a refill is required and deliver prescriptions to the customer before the customer runs out of their existing medication supply. This process is done automatically, without the need for the customer to order refills of the individual prescriptions increasing the likelihood that the Pharmacy will retain the customer's business.

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[2] Trademark pending.

Privacy and Cybersecurity

As the Company's business involves the transmission and management of personal information and sensitive health information of consumers, the Company has established certain policies and procedures regarding privacy and cybersecurity. The Company has received consultation regarding privacy matters and Canadian Anti-Spam Legislation (CASL) and has implemented various consents related thereto. The Company also intends to enter into data processing agreements with its third-party service providers to identify the privacy standards with which such providers must comply. The Company's technology stack was built with privacy laws in mind; in particular, the Dashboard and the Mednow Web App are currently compliant with the *Personal Health Information Protection Act* (Ontario) and the Company is reviewing its technology infrastructure to ensure it is compliant with the *Personal Information Protection and Electronic Documents Act*.

With regards to cybersecurity and data security, the Company has engaged a third-party to add necessary firewall and other network security equipment at Pharmacy locations in an effort to ensure patient data is secure in transit between the Company and the Pharmacies. The Company has also established additional cybersecurity measures including: (i) utilizing the WPEngine website hosting service, which provides additional security for websites; (ii) implementing policies for all employees to use password management tools; and (iii) limiting accessibility to the Mednow Web App, such that only persons with a validated mobile number and who have completed a Completely Automated Public Turing Test To Tell Computers and Humans Apart (CAPTCHA) challenge response test can utilize the Mednow Web App. The Company also plans to engage a mobile device management service to ensure that any computers accessing the Company's network can be managed remotely in case of theft. See "*Risk Factors*".

Technology, Research and Development

The Company continues to review and enhance its proprietary technology, including the Mednow Web App, to provide an improved customer facing application that allows customers to seamlessly purchase prescription and over-the-counter medications. The Company is using its in-house technology team, as well as third-party providers, to facilitate the enhancement of the customer facing web application.

The Company's research and development activities are centered around: (i) developing a digital platform to aggregate customer data, pharmacy management systems data, electronic medical record software data and user-reported data in one database to provide holistic care; (ii) continuing to develop a complete ecosystem of health services around its full-service pharmacy including telemedicine; and (iii) enhancing the Mednow Web App. The Company's research and development is conducted through a combination of in-house research and development and subcontractor services.

Specialized Skills and Knowledge

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include, but are not limited to, expertise related to pharmaceuticals and healthcare, operations, software development, application security, payment processors, mobile applications, marketing, design, delivery methods, logistics and content creation, as well as legal compliance, finance and accounting. Through the Company's fiscal year 2021, the Company continued to hire resources who are now supporting and leading these cross-functional areas. The Company expects to rely upon these internal resources as well as various legal and financial advisors, consultants and others in the operation and management of its business.

Industry Overview and Competition

Pharmacies in Canada are typically comprised of “drug stores”. Drug stores are brick-and-mortar retail pharmacies which have pharmacists on site, where prescriptions may be filled and where certain other over-the-counter products and goods, such as snacks, beverages, small appliances, basic groceries and other miscellaneous items, may be purchased. Drug stores can vary from smaller pharmacies with a small selection of non-prescription items, resembling the selection of a corner store, such as Shoppers Drug Mart and Rexall, to larger grocery and department stores such as Loblaws, Walmart, Safeway, Longo’s and London Drugs.

The Company competes in the healthcare market, including the virtual retail pharmacy market and virtual care and telemedicine services. The virtual pharmacy market is less developed than traditional brick-and-mortar channels. Notable entities in the virtual pharmacy market include PocketPills, Well.ca, Well Health, Amazon’s PillPack and Pillway, and some of these entities are present in markets in which Mednow currently or anticipates having a presence. Notable companies in the virtual care and telemedicine services market include CloudMD and Well Health Technologies Corp.

The Company’s unique selling proposition is its Mednow Web App, which is a ‘one-stop shop’ for patients to virtually consult with a doctor, and to have the option to seamlessly fill prescription and over-the-counter medications needs via Mednow’s retail pharmacies. The prescriptions can be delivered to patients in the provinces of British Columbia, Ontario and Nova Scotia, and the Company expects to expand services in Alberta, Manitoba and Quebec in the coming months.

Economic Dependence

The Company’s pharmacies are licensed and governed by provincial and other regulatory Government bodies. The Company’s ability to operate its pharmacies depends on its ability to continue to maintain compliance with laws and regulations mandated by these regulatory bodies.

The Company’s doctor services, including its virtual care and telemedicine services, depends on its ability to continue to have a sufficient number of doctors to be able to provide consultations to patients.

The Company purchases its inventory of prescription and over the counter medications primarily from a large, multinational distributor of medications. The Company relies on its agreement with this distributor to be able to generate revenue from its retail pharmacies.

Changes to Contracts

The Company does not reasonably expect any aspect of its business to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts.

Employees

As of the date hereof, the Company has sixty employees and twenty-five independent contractors.

Foreign Operations

The Company has an investment in Doko Medical by way of a convertible debenture, which if converted, would equate to a 2.8% equity interest. Doko Medical is a virtual healthcare provider operating in 38 states in the United States. The Company has no dependencies on any foreign operations.

Intangible Properties

The Company owns all intellectual property rights to the Mednow Web App, which is the customer facing application used by patients to order prescriptions, and the application that allows pharmacists to fulfill orders placed by patients.

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.

The Company's other intangible assets are comprised of brand recognition, relationships with the Pharmacies and customer relationships. Going forward, the Company intends to continue to enhance its products and processes with innovations and updates. In order to protect these intangible assets, the Company may implement strategic processes to register copyrights, trademarks and domain names in Canada.

RISK FACTORS

There are a number of risk factors that could cause future results to differ materially from those described herein. The following are certain risk factors relating to the business carried on by the Company, which prospective investors should carefully consider before deciding whether to purchase Common Shares. The risks and uncertainties described herein are not the only ones that the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks actually occur, the Company's business may be harmed, and its financial condition and results of operation may suffer significantly. References to the Company include its owned and partially-owned subsidiaries and affiliates in which the Company has an interest, as applicable.

Risk Relating to the Common Shares

Market for securities and volatility of share price

There can be no assurance that an active trading market in the Company's securities will be sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks as well as overall market movements, may have a significant adverse impact on the market price of the securities of the Company. Other factors that could have an effect on the market price of the Common Shares include the breadth of the public market for the Common Share and the attractiveness of alternate investments. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of a particular company.

Securities of technology and healthcare companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

Other factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of shares; the size of the Company's public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from the TSXV, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Nature of investment risk

An investment in the securities of the Company carries a high degree of risk and should be considered as a speculative investment. The Company has a limited history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

Price may not Represent the Company's Performance or Intrinsic Fair Value

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability of the attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares on the TSXV in the future cannot be predicted.

Securities or Industry Analysts

The trading market for the Common Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Need for additional financing and possible effects of dilution

The Company may issue equity securities to finance its activities, including future acquisitions and investments. If the Company were to issue additional Common Shares, existing holders of such Common Shares may experience dilution in their holdings. Moreover, when the Company's intention to issue additional equity securities becomes publicly known, the price of the Common Shares may be adversely affected.

Dividends

The Company has not paid any dividends on the outstanding Common Shares, nor is there any intention of paying dividends in the foreseeable future. Any decision to pay dividends on the Common Shares will be made by the Board on the basis of its earnings, financial requirements and other conditions.

TSVX Listing

The Company may fail to meet the continued listing requirements for the Common Shares to be listed on the TSXV. If the TSXV delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including: (i) a limited availability of market quotations for the Common Shares; (ii) a determination the Common Shares are a “penny stock” which will require brokers trading in the Common Shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Common Shares; (iii) a limited amount of news and analysts coverage for the Company; and (iv) a decreased ability to issue additional securities or obtain additional financing in the future.

Significant holders of the Company’s Common Shares, including Locked-up Persons, may seek to sell all or a portion of their shareholdings in the future, which could reduce the market price of the Common Shares.

Sales of a substantial number of the Company’s voting shares in the public market could occur at any time before or after the expiration of the Lock-up Agreements. These sales, or the market perception that the holders of a large number of the Company’s voting shares intend to sell such shares, especially where the holders of such shares are Company insiders, could significantly reduce the market price of the Common Shares. There is no assurance that Locked-up Persons will maintain ownership of their holdings of the Company’s voting shares for any significant period of time following the expiration of the contractual lock-up period, if at all. Furthermore, the Company cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market price of the Common Shares. If the market price of the Common Shares were to drop as a result, this might impede the Company’s ability to raise additional capital and might cause remaining holders of Common Shares to lose all or part of their investments.

In addition, the Agents might waive the provisions of the Lock-up Agreements and allow the Locked-up Persons to sell their voting shares at any time. There are no pre-established conditions for the grant of such a waiver by the Agents, and any decision by them to waive those conditions may depend on a number of factors, which might include market conditions, the performance of the Common Shares in the market and the Company’s financial condition at that time. If the restrictions in such Lock-up Agreements are waived, additional Common Shares will be available for sale into the public market, subject to applicable securities laws, which could reduce the market price for Common Shares.

Holders of options to purchase Common Shares will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying Common Shares). As a result, these holders may need to sell Common Shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of Common Shares being sold in the public market, and fewer long-term holdings of Common Shares by management of the Company and other employees.

Risks Relating to the Business

<u>Additional Fundings</u>

The operation of the Company’s business may require additional capital. In the situation where such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing Shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company’s business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the technology and healthcare industries in particular), the Company’s status as an enterprise with a limited history and/or the loss of key management personnel.

Limited operating history

The Company has a limited operating history. As such, the Company will be subject to all of the business risks and uncertainties associated with any early-stage business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company’s business will likely require additional expenditures before cash flow will be generated. Although the Company possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders’ investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans. Investors should consider the Company's likelihood of success in light of the early stages of corporate development and operations.

Negative Cash Flow from Operating Activities

The Company has a limited history of earnings and has negative cash flow from operating activities since inception. The Company’s business is in an early stage and additional capital investment may be required to achieve positive cash flow from operating activities. There is no assurance that the Company will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company may require additional financing in order to meet its future cash commitments.

Uncertainty of Use of Available Funds

Management of the Company retains broad discretion in the application of the Company’s funds. The failure by the Company to apply available funds effectively could have a material adverse effect on the Company’s business, including the Company’s ability to achieve its stated business objectives.

Business Concentration by Region

Although the Company expects to expand into other Canadian provinces in the fiscal year 2022, the Company currently earns a majority of its revenue from three geographic locations, being the provinces of British Columbia, Ontario and Nova Scotia in Canada. If economic, regulatory, legislative or other factors affecting the Company’s business were to adversely change in British Columbia, Ontario, or Nova Scotia, then the anticipated revenues of the Company would be negatively impacted.

Competition

The industry in which the Company operates is highly competitive, is evolving and is characterized by technological change. Current or future competitors may have longer operating histories, larger customer bases, greater brand recognition and more extensive commercial relationships in certain jurisdictions, and greater financial, technical, marketing and other resources than the Company. As a result, the Company’s competitors may be able to develop products and services better received by customers or may be able to respond more quickly and effectively than the Company can to new or changing opportunities, technologies, regulations or customer requirements. In addition, larger competitors may be able to leverage a larger installed customer base and distribution network to adopt more aggressive pricing policies and offer more attractive sales terms, which could cause the Company to lose potential sales or to sell its solutions at lower prices.

Competition may intensify as the Company's competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into the Company's market segments or geographic markets. The Company also expects to face additional competition from new entrants. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and customer support. If the Company cannot compete against existing and future competitors, its business, results of operations and financial condition could be materially and adversely affected.

The Company's success will be dependent on its ability to market its products and services. There is no guarantee that the Company's products and services will remain competitive. Unforeseen competition, and the inability of the Company to effectively develop and expand the market for its products and services, could have a significant adverse effect on the growth potential of the Company. The Company cannot assure that it will be able to compete effectively against existing and future competitors. In addition, competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on the Company's business, financial condition or results of operations.

Implementation of Growth Strategy

The Company's future growth, profitability and cash flows depend upon its ability to successfully implement its growth strategy, which, in turn, is dependent upon a number of factors, including the Company's ability to:

1. expand its customer base;
2. enter into contractual relationships with additional licensed pharmacies and own and operate additional licensed pharmacies;
3. expand into additional jurisdictions;
4. support growth of existing customers;
5. enhance the Mednow Web App platform; and
6. selectively pursue acquisitions and investments.

There can be no assurance that the Company can successfully achieve any or all of the above initiatives in the manner or time period that the Company expects. Further, achieving these objectives will require investments which may result in short-term costs without generating any current revenue and therefore may be dilutive to the Company's earnings. The Company cannot provide any assurance that it will realize, in full or in part, the anticipated benefits it expects its strategy will achieve. The failure to realize those benefits could have a material adverse effect on the Company's business, financial condition and results of operations.

Failure to Manage Growth

The Company anticipates that growth in demand for its services will place significant demands on its operational infrastructure. The scalability and flexibility of the Company's platform depends on the functionality of the Company's technology and network infrastructure and its ability to handle increased traffic and demand for bandwidth. The Company anticipates that growth in the number of customers using the Company's platform and the number of requests processed through its platform will increase the amount of data that the Company processes. Any problems with the transmission of increased data and requests could result in harm to the Company's brand or reputation. Moreover, as the Company's business grows, the Company will need to devote additional resources to improving its operational infrastructure and continuing to enhance its scalability in order to maintain the performance of its platform.

As the Company grows, it will be required to continue to improve its operational and financial controls and reporting procedures and the Company may not be able to do so effectively. Furthermore, some members of the Company's management do not have significant experience managing a large national business operation, so the Company's management may not be able to manage such growth effectively. In managing the Company's growing operations, the Company is also subject to the risks of over-hiring and/or overcompensating its employees and over-expanding its operating infrastructure. As a result, the Company may be unable to manage its expenses effectively in the future, which may negatively impact the Company's gross profit or operating expenses.

As the Company continues to grow and develop the infrastructure of a public company, the Company must effectively integrate, develop and motivate a growing number of new employees, some of whom are based in various countries around the world. In addition, the Company must preserve its ability to execute quickly in further developing its platform and implementing new features and initiatives. As a result, the Company may find it difficult to maintain its corporate culture, which could limit the Company's ability to innovate and operate effectively. Any failure to preserve the Company's culture could also negatively affect its ability to recruit and retain personnel, to continue to perform at current levels or to execute on its business strategy effectively and efficiently.

Reliance on Strategic Partnerships

To grow its business, the Company anticipates that it will continue to depend on relationships with third parties, such as information technology vendors and licensed pharmacies. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. The Company's competitors may be effective in providing incentives to third parties to favour their products or services over the Company's. In addition, acquisitions of the Company's partners by its competitors could result in a decrease in the number of its current and potential customers, as its partners may no longer facilitate the adoption of its applications by potential customers. If the Company is unsuccessful in establishing and maintaining its relationships with third parties, or if these third parties are unable or unwilling to provide services to the Company, the Company's ability to compete in the marketplace or to generate revenue could be impaired, and its results of operations may suffer. Even if the Company is successful, it cannot be sure that these relationships will result in increased customer usage of its services or increased revenue.

Security Breaches

The Company operates in an industry that is prone to cyber attacks. Failure to prevent or mitigate security breaches and improper access to or disclosure of the Company's data or customer data, could result in the loss or misuse of such data, which could harm the Company's business and reputation. The security measures the Company has integrated into its internal networks and platform, which are designed to prevent or minimize security breaches, may not function as expected or may not be sufficient to protect the Company's internal networks and platform against certain attacks. In addition, techniques used to sabotage or to obtain unauthorized access to networks in which data is stored or through which data is transmitted change frequently. As a result, the Company may be unable to anticipate these techniques or implement adequate preventative measures to prevent an electronic intrusion into the Company's networks.

If a security breach were to occur, as a result of third-party action, employee error, breakdown of the Company's internal security processes and procedures, malfeasance or otherwise, and the confidentiality, integrity or availability of the Company's customers' data was disrupted, the Company could incur significant liability to its customers, and the Company's platform may be perceived as less desirable, which could negatively affect the Company's business and damage its reputation.

The Company's platform may be subject to distributed denial of service attacks ("**DDoS**"), a technique used by hackers to take an internet service offline by overloading its servers, and the Company cannot guarantee that applicable recovery systems, security protocols, network protection mechanisms and other procedures are or will be adequate to prevent network and service interruption, system failure or data loss. In addition, computer malware, viruses, and hacking and phishing attacks by third parties are prevalent in the Company's industry.

Moreover, the Company's platform could be breached if vulnerabilities in its platform or third-party applications are exploited by unauthorized third parties or due to employee error, breakdown of the Company's internal security processes and procedures, malfeasance, or otherwise. Further, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as usernames, passwords or other information or otherwise compromise the security of the Company's internal networks and electronic systems in order to gain access to the Company's data or its customers' data. Since techniques used to obtain unauthorized access change frequently and the size and severity of DDoS attacks and security breaches are increasing, the Company may be unable to implement adequate preventative measures or stop DDoS attacks or security breaches while they are occurring.

Any actual or perceived DDoS attack or security breach could damage the Company's reputation and brand, expose the Company to a risk of litigation and possible liability and require the Company to expend significant capital and other resources to respond to and/or alleviate problems caused by the DDoS attack or security breach. Some jurisdictions have enacted laws requiring companies to notify individuals and authorities of data security breaches involving certain types of personal or other data and the Company's agreements with certain customers and partners require the Company to notify them in the event of a security incident. Any of these events could harm the Company's reputation or subject the Company to significant liability, and materially and adversely affect the Company's business and financial results.

<u>Software Errors or Defects</u>

Software such as the Mednow Web App may contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Company's platform may contain serious errors or defects, security vulnerabilities or software bugs that the Company may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to the Company's reputation and brand, any of which could have an adverse effect on the Company's business, financial condition and results of operations.

Since the Company's customers use the Company's services for processes that are critical to their businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in the Company's platform could result in losses to the Company's customers. The Company's customers may seek significant compensation from the Company for any losses they suffer or cease conducting business with the Company altogether. Further, a customer could share information about bad experiences on social media, which could result in damage to the Company's reputation and loss of future sales. There can be no assurance that provisions typically included in the Company's agreements with its customers that attempt to limit the Company's exposure to claims would be enforceable or adequate or would otherwise protect the Company from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against the Company by any of the Company's customers would likely be time-consuming and costly to defend and could seriously damage the Company's reputation and brand, making it harder for the Company to sell its solutions.

Failure to Maintain, Promote and Enhance Brand

The Company believes that maintaining, promoting and enhancing the Mednow brand is critical to expanding the Company's business. Maintaining and enhancing the Company's brand will depend largely on the Company's ability to continue to provide high-quality, well-designed, useful, reliable and innovative solutions, which the Company may not do successfully.

Errors, defects, data breaches, disruptions or other performance problems with the Company's platform, including with third-party applications, may harm the Company's reputation and brand. The Company may introduce new solutions or terms of service that the Company's customers and its consumers do not like, which may negatively affect the Company's brand. Additionally, if the Company's customers or its consumers have a negative experience using the Company's solutions, such an experience may affect the Company's brand, especially as the Company continues to attract larger customers to the Company's platform.

The Company believes that the importance of brand recognition will increase as competition in the Company's market increases. In addition to the Company's ability to provide reliable and useful solutions at competitive prices, successful promotion of the Company's brand will depend on the effectiveness of the Company's marketing efforts. The Company's efforts to market its brand will involve significant expenses. The Company's marketing spend may not yield increased revenue, and even if it does, any increased revenue may not offset the expenses the Company incurs in building and maintaining the Company's brand.

Dependence on Customer Internet Access and Use of Internet for Commerce

The Company's success depends upon the general public's ability to access the internet, including through mobile devices, and its continued willingness to use the internet as a means to pay for purchases, communicate, access social media, research and conduct commercial transactions. The adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including changes to laws or regulations impacting internet neutrality, could decrease the demand for the Company's platform, increase the Company's operating costs, or otherwise adversely affect the Company's business. Given uncertainty around these rules, the Company could experience discriminatory or anti-competitive practices that could impede both the Company's and its customers' growth, increase the Company's costs or adversely affect the Company's business. If customers become unable, unwilling or less willing to use the internet for commerce for any reason, including lack of access to high-speed communications equipment, congestion of traffic on the internet, internet outages or delays, disruptions or other damage to customers' computers, increases in the cost of accessing the internet and security and privacy risks or the perception of such risks, the Company's business could be adversely affected.

Regulatory Reform on Drug Pricing and Pharmacy Fees

Drug pricing for both brand and generic medication is determined by federal and provincial regulatory bodies. These regulatory bodies have mechanisms available for them to create blanket adjustments, such as changes to the regulation of generic prescription drug prices, the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers, which could affect pharmacy revenues.

Privacy and Security of Sensitive Information

The Company's operations are dependent on the Company's information systems and the information collected, processed, stored, and handled by these systems. The Company relies heavily on its computer systems to manage its ordering, pricing, fulfillment, inventory replenishment and other processes. Throughout the Company's operations, the Company receives, retains and transmits certain confidential information, including personally identifiable information that the Company's customers provide to purchase products or services, interact with the Company's personnel, or otherwise communicate with the Company. In addition, for these operations, the Company depends in part on the secure transmission of confidential information over public networks. The Company's information systems are subject to damage or interruption from power outages, facility damage, computer and telecommunications failures, computer viruses, security breaches, including credit card or personally identifiable information breaches, coordinated cyber attacks, vandalism, catastrophic events and human error. Although the Company deploys a layered approach to address information security threats and vulnerabilities, including ones from a cyber security standpoint, designed to protect confidential information against data security breaches, a compromise of the Company's information security controls or of those businesses with whom the Company interacts, which results in confidential information being accessed, obtained, damaged, or used by unauthorized or improper persons, could harm the Company's reputation and expose the Company to regulatory actions and claims from customers and other persons, any of which could adversely affect the Company's business, financial position, and results of operations. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may not immediately produce signs of intrusion, the Company may not be able to anticipate these techniques or to implement adequate preventative measures. In addition, a security breach could require that the Company expend substantial additional resources related to the security of information systems and disrupt the Company's businesses.

Confidentiality of Personal and Health Information

The Company and its employees have access, in the course of their duties, to the personal information of customers of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future customers.

The Company's services are used to transmit, receive and store a large volume of data, including personal information and other confidential information. The Company does not regularly monitor or review the content that its customers upload and store and, therefore, does not control the substance of the content on its servers, which may include personal information. The Company may experience successful attempts by third parties to obtain unauthorized access to the personal information of its customers. This information could also be otherwise exposed through human error or malfeasance. The unauthorized access or compromise of this personal information could have an adverse effect on the Company's business, financial condition and results of operations.

The Company is also subject to federal, provincial and foreign laws regarding privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data and its agreements with certain customers require the Company to notify them in the event of a security incident. In addition, the interpretation of data protection laws in the Canada and elsewhere, and their application to the Internet, is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from jurisdiction to jurisdiction, and in a manner that is not consistent with the Company's current data protection practices. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for non-compliance. Any such new laws or regulations, or changing interpretations of existing laws and regulations, may cause the Company to incur significant costs and effort to ensure compliance.

The Company's failure to comply with federal, provincial and foreign laws regarding privacy and protection of data, as applicable, could lead to significant fines and penalties imposed by regulators, as well as claims by its customers and their customers. These proceedings or violations could force the Company to spend money in defense or settlement of such proceedings, result in the imposition of monetary liability, divert management's time and attention, increase the Company's costs of doing business, and adversely affect the Company's reputation and the demand for its products and services. In addition, if the Company's security measures fail to adequately protect personal information, the Company could be liable to both its customers and their customers for their losses. As a result, the Company could be subject to fines, could face regulatory action, and its customers could end their relationships with the Company. There can be no assurances that the limitations of liability in the Company's contracts would be enforceable or adequate or would otherwise protect the Company from any such liabilities or damages with respect to any particular claim. The Company also cannot be sure that its existing general liability insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or at all, or will be available in sufficient amounts to cover one or more large claims, or that its insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against the Company that exceeds its available insurance coverage, or changes in its insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on its business, financial condition and results of operations.

General Healthcare Regulation

Healthcare service providers in Canada are subject to various governmental regulations and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in government regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial conditions and results of operations of the Company's businesses. In addition, the Company could incur significant costs in the course of complying with any changes in the regulatory regime. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations or financial performance of the Company.

If the Company cannot keep pace with rapid developments in healthcare technology and change in the Company's industry and continue to grow its customer base, the use of the Company's services could decline, reducing the Company's revenue.

Certain markets in which the Company competes are subject to rapid and significant changes. The healthcare technology market, in particular, is characterized by rapid technological change, new product and service introductions, evolving industry standards, changing customer needs, consolidation and the entrance of non-traditional competitors. In order to remain competitive and continue to acquire new customers, the Company is continually involved in a number of projects to develop new services and improve the Company's existing services. These projects may not be successful and carry some risks, such as cost overruns, delays in delivery, performance problems and lack of customer adoption, and may cause the Company to become subject to additional regulation. Any inability to develop or delay in the delivery of new services or the failure to differentiate the Company's services or to accurately predict and address market demand could render the Company's services less desirable, or even obsolete, to the Company's customers. In addition, many current or prospective customers may find competing services more attractive if the Company does not keep pace with market innovation or changes in response to COVID-19, and many may choose to switch to competing services even if the Company does its best to innovate and provide superior services.

The Company relies in part, and may in the future rely in part, on third parties, including some of the Company's competitors and potential competitors, for the development of, and access to, new technologies. If the Company is unable to maintain these relationships, it may lose access to new technologies or may not have the speed-to-market necessary to successfully launch new offerings.

The Company's future success will depend on the Company's ability to adapt to technological changes and evolving industry standards. The Company cannot predict the effects of technological changes on the Company's business. If the Company is unable to adapt to technological changes or evolving industry standards on a timely and cost-effective basis by introducing new services and improving existing services, the Company's business, financial condition and results of operations could be materially adversely affected.

<u>The Company may face challenges in expanding into new geographic regions inside and outside of Canada and continuing the Company's growth within these markets.</u>

The Company's core business and operating revenue is based in Canada, and the Company plans to continue its expansion in multiple geographic regions both within and, potentially, outside Canada. In the future, the Company may face challenges associated with entering and expanding in markets in which the Company has limited or no experience and in which the Company may not be well-known. Offering the Company's products and services in new geographic regions requires substantial expenditures and takes considerable time, and the Company may not recover its investments in new markets in a timely manner or at all. For example, the Company may be unable to attract a sufficient number of customers, fail to anticipate competitive conditions or fail to adapt and tailor the Company's products and services to different markets.

The development of the Company's products and services globally exposes the Company to risks relating to staffing and managing cross-border operations, increased costs and difficulty protecting intellectual property and sensitive data, tariffs and other trade barriers, differing and potentially adverse tax consequences, increased and conflicting regulatory compliance requirements, lack of acceptance of the Company's products and services, challenges caused by distance, language, and cultural differences, exchange rate risk and exposure to political instability. Accordingly, the Company's efforts to develop and expand the geographic footprint of the Company's operations may not be successful, which could limit the Company's ability to grow its business.

<u>A deterioration in the quality of the products and services the Company offers, including support services, could adversely impact the Company's ability to attract and retain customers.</u>

The Company's customers expect a consistent level of quality in the provision of health services it offers. The health services the Company currently provides, as well as future offerings to broaden its appeal are a key element of the value proposition to the Company's existing customers, as well as the Company's ability to attract new customers. Any deterioration in quality or the Company's ability to expand its health service offerings could adversely affect the Company's health services growth plans.

Technology-enabled products will require service and customer engagement to support and foster new customers. The products and services the Company delivers and intends to deliver are designed to provide reports and complex information, all at high volumes and processing speeds. If the reliability, functionality or speed of the Company's products and services is compromised or the quality of those products or services is otherwise degraded, or if the Company fails to provide a high level of support and quickly detect and remediate any performance issues, the Company could experience significant processing or reporting errors. This, in turn, could prevent the Company from attracting new customers. In addition, if the Company is unable to scale the

Company's support functions to address the growth of its customer base, the quality of the Company's support may decrease, which could adversely affect the Company's ability to attract and retain customers.

<u>If the Company is not able to establish and maintain positive relationships with healthcare professionals, it could have a negative impact on the Company's business, financial condition and results of operations.</u>

The Company expects to derive a significant portion of the Company's revenue from through services provided by physicians and other licensed healthcare professionals through virtual care and telemedicine services, as well as doctor home visits. These healthcare professionals are often engaged by the Company by entering into consulting agreements with the physicians. As a result, continuation of current and successful negotiation of future consulting agreements is critical to the Company's future business, revenue growth and results of operations. The Company's healthcare practitioners may have no obligation to renew their consulting agreements with the Company after the initial term expires. In addition, the Company's healthcare practitioners may negotiate terms less advantageous to the Company upon renewal, which may reduce the Company's revenue.

The Company's success will also be dependent on its ability to attract new healthcare practitioners. Competition for physicians and other medical professionals who are experienced in providing care is intense. The Company may experience difficulty in forming new relationships with healthcare practitioners with appropriate qualifications. Many of the companies and healthcare services providers with which the Company competes for experienced personnel have greater resources than the Company has. If the Company fails to attract new personnel, the Company's business and future growth prospects could be harmed.

In addition, there can be no assurance that the Company's contracts with physicians and other healthcare practitioners will be interpreted favorably. As a result, options for recourse available to the Company may be limited. The Company may also suffer reputational harm due to the actions of a healthcare practitioner. Due to the foregoing, claims against physicians or other licensed healthcare service providers associated with the Company could have a material adverse effect on the Company's business, financial condition and results of operations.

<u>The Company's insurance policies may not be sufficient to cover all claims.</u>

The Company's insurance policies may not adequately cover all risks to which the Company is exposed and may not be adequate for all liabilities actually incurred or indemnification claims against the Company. A significant claim not covered by the Company's insurance, in full or in part, may result in significant expenditures by the Company. Moreover, the Company may not be able to maintain insurance policies in the future at reasonable costs, on acceptable terms or at all, which may adversely affect the Company's business and the trading price of its securities. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or the occurrence of changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect the Company's business, financial condition and results of operations.

<u>Management has limited experience with the requirements and demands of managing a publicly-traded company.</u>

Some members of management have historically operated the business of the Company as a privately-owned company. Some of the individuals who constitute the Company's senior management team have had limited experience in managing a publicly-traded entity. The Company has developed control systems and procedures required to operate as a public company, and these systems and procedures could place a significant strain on the Company's management systems, infrastructure and other resources. The Company can provide no assurances that its management's past experience will be sufficient to enable the Company to successfully operate as a public company. Although management has engaged a number of professional service providers to assist the Company with complying with its continuous disclosure, filing, and other requirements applicable to public entities, if management of the Company is unable to satisfactorily manage the Company as a public entity and ensure that it remains in compliance with all continuous disclosure and other requirements applicable to public entities, there could occur a material adverse effect on the Company's business, financial condition and results of operations.

The Company's services must integrate and interoperate with a variety of operating systems, software, hardware, web browsers and networks.

The Company is dependent on the ability of the Company's products and services to integrate with a variety of operating systems, software, hardware, networks and web browsers that the Company does not control. Any changes in these systems or networks that degrade the functionality of the Company's products and services, impose additional costs or requirements on the Company or give preferential treatment to competitive services could materially and adversely affect usage of the Company's products and services. Given the nature of the Company's business and the pace of technological change, the Company may be unsuccessful in attempting to keep up with changing systems or the cost of doing so could be prohibitive, either of which could materially adversely affect the Company's business and operations. In the event that it is difficult for the Company's customers to access and use the Company's products and services, the Company's business may be materially and adversely affected.

Reliance on Third Parties for Real Estate

The Company does not own real property, nor does it have a lease interest in the Pharmacies. The Company enters into contracts with third parties who hold leases to the premises for the operation of its clinics, pharmacies and various offices. There is a risk that these leases may not be renewed at the end of term, and a risk that an alternative location cannot be found by such third parties. Moreover, these leased properties are managed by third parties and as such there is no assurance that they will be managed and maintained to meet any required environmental and safety standards. Any adverse change or event affecting the Company's premises may have a material adverse effect on its business, results of operations and financial condition.

Changes in Technology

The Company operates in a competitive industry characterized by rapid technological change and evolving industry standards. The Company's ability to attract new customers and generate revenue from existing customers will depend largely on its ability to anticipate industry standards and trends, respond to technological advances in its industry, and to continue to enhance existing products or to design and introduce new services on a timely basis to keep pace with technological developments and its customers' increasingly sophisticated needs. The success of any enhancement or new product depends on several factors, including the timely completion and market acceptance of the enhancement or new product. Any new product or service the Company develops or acquires might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of the Company's competitors implements new technologies before the Company is able to implement them, those competitors may be able to provide more effective products or services than the Company at lower prices. Any delay or failure in the introduction of new or enhanced products could harm the Company's business, results of operations and financial condition.

The Company's services are expected to embody complex technology that may not meet those standards, changes and preferences. The Company's ability to design, develop and commercially launch new products depends on a number of factors, including, but not limited to, its ability to design and implement solutions and services at an acceptable cost and quality, its ability to attract and retain skilled technical employees, the availability of critical components from third parties, and its ability to successfully complete the development of products in a timely manner. There is no guarantee that the Company will be able to respond to market demands. If the Company is unable to effectively respond to technological changes, or fails or delays to develop products in a timely and cost-effective manner, its products and services may become obsolete, and the Company may be unable to recover its research and development expenses which could negatively impact sales, profitability and the continued viability of its business.

Difficulty in Forecasting

Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The Company's estimates and forecasts relating to the size and expected growth of its target market, market demand and adoption, capacity to address this demand, and pricing may prove to be inaccurate. The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Reputational Risk

Reputational damage can result from the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views, whether true or not. Reputation loss may result in decreased customer confidence and an impediment to the Company's overall ability to advance its products and services with customers, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Protection of Intellectual Property

The Company does not currently hold any patents, copyrights or trademarks. The Company's commercial success depends to a significant degree upon its ability to develop new or improved technologies, instruments and products, and to obtain patents, where appropriate, or other intellectual property rights or statutory protection for these technologies and products in Canada and the United States. Despite devoting resources to the research and development of proprietary technology, the Company may not be able to develop new technology that is patentable or protectable. Further, patents issued to the Company, if any, could be challenged, held invalid or unenforceable, or be circumvented and may not provide the Company with necessary or sufficient protection or a competitive advantage. Competitors and other third parties may be able to design around the Company's intellectual property or develop products similar to its products that are not within the scope of such intellectual property. The Company's inability to secure its intellectual property rights may have a materially adverse effect on its business and results of operations.

Prosecution and protection of the intellectual property rights sought can be costly and uncertain, often involve complex legal and factual issues and consume significant time and resources. The laws of certain countries may not protect intellectual property rights to the same extent as the laws of Canada or the United States.

Public Health Crises such as the COVID-19 Pandemic

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced and has spread around the world causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to the Company and could have a negative impact on the Company's business, financial condition and results of operations. It is not presently possible to predict the extent or durations of any such adverse effects. Such adverse effects could be rapid, unexpected and may severely impact the Company's ability to carry out its business plans.

Since the onset of the COVID-19 pandemic, a number of governments, including Canada, have declared periods of states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. For a period of time, all of Canada's provinces and territories declared province- and territory-wide states of emergency and entered states of lockdowns or restrictions on public activity.

COVID-19 and efforts to contain it may continue to have a broad impact on the Company's supply chain or the global economy, which could have a material adverse effect on the Company's financial position. While governmental agencies and private sector participants are seeking to continue to mitigate and contain the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures, including the effectiveness of current vaccination programs is uncertain.

The COVID-19 pandemic has not had a negative impact on the Company's business or operations, and the Company does not currently anticipate that the COVID-19 pandemic will have an impact on its business or operations. If the effects of COVID-19 are otherwise mitigated through more effective vaccines and/or efforts to vaccinate a higher portion of the Canadian and global population, this could result in public sentiment changing such that customers may be less hesitant to attend brick-and-mortar pharmacies, which could have a negative impact on the Company's business outlook.

Global Economy Risk

The global capital markets over the past several years has been characterized by market volatility drive by macroeconomic, political, COVID-19 related factors and various other factors. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital and the trading price of the Company's securities could be adversely impacted.

In addition, the outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse impact on global economic conditions, which may adversely impact: the market price of the Common Shares, the Company's operations, its ability to raise debt or equity financing, and the operations of the Company's suppliers, contractors and service providers.

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative, healthcare and technology personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition. In addition, the COVID-19 pandemic may cause the Company to have inadequate access to an available skilled workforce and qualified personnel, which could have an adverse impact on the Company's financial performance and financial condition.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may continue to pursue and complete acquisitions that the Company believes are strategic. There can be no assurance that the Company will be able to continue to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired company or assets into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

The Company will need to expand its operations and increase the size of its company, and it may experience difficulties in managing growth.

The Company may need to continue to increase its general and administrative capabilities to support future growth. The Company's management, personnel and systems currently in place may not be adequate to support this future growth. If the Company is unable to successfully manage this growth and increased complexity of operations, the Company's business may be adversely affected.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has undertaken a number of steps to implement various safeguards to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Common Shares.

Management of the Company will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place. One of the deficiencies in internal control is the lack of segregation of accounting duties due to the size of the Company. However, the threat of this deficiency is considered immaterial as management has taken effective measures to mitigate this weakness.

The potential risk that flows from the identified deficiencies and weaknesses is the risk of potential fraud. However, the risk of fraud is considered low as management anticipates taking a number of measures as stated above to mitigate the potential risk of fraud, including without limitation: (i) all purchase and payment, including payroll, must be authorized by management; (ii) significant capital expenditures must be preapproved by the Board and management; (iii) all source documents in any other language other than English must be translated and scanned for accounting entries and recordkeeping purposes; (iv) and almost all of the Company's cash will be deposited with a Canadian bank in Toronto, Canada. Bank statements of the Company will be reviewed by the Chief Financial Officer of the Company regularly.

The Board will continue to monitor the operations of the Company, evaluate the internal controls, and develop measures in the future to mitigate any potential risks and weaknesses.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Conflicts of interest

Some of the Company's directors and officers do not devote their full time to the affairs of the Company and some of the Company's directors and officers are also directors, officers and shareholders of other healthcare companies or other public or privately-held companies in general, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to the Company. Although the Company has policies which address such potential conflicts and the CBCA has provisions governing directors in the event of such a conflict, none of the Company's constating documents or any of its other agreements contain any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

Financial and Accounting Risks

Internal controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation.

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Liquidity and future financing risk

The Company will likely operate at a loss until its business becomes established. The business may require additional financing in order to fund future operations, expansion, acquisition and investment plans. The Company's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Company to alter its capitalization significantly and, if additional financing is raised by issuance of additional Common Shares from treasury, control may change and shareholders may suffer dilution. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition and results of operations.

The Company's financial condition would be adversely impacted if its intangible assets become impaired

Intangibles are evaluated quarterly and are tested for impairment at least annually or when events or changes in circumstances indicate the carrying value of each segment, and collectively the Company taken as a whole, might exceed its fair value. If the Company determines that the value of its intangible assets is less than the amounts reflected on its balance sheet, it will be required to reflect an impairment of its intangible assets in the period in which such determination is made. An impairment of its intangible assets would result in the Company's recognition of an expense in the amount of the impairment in the relevant period, which would also result in the reduction of its intangible assets and a corresponding reduction in its net income in the Consolidated Statement of Income and Other Income in the relevant period.

Tax risk and accounting requirements

The Company is subject to various taxes including, but not limited to the following: income tax; goods and services tax; sales tax; land transfer tax; payroll tax; and equivalent taxes imposed by the taxing authorities in other jurisdictions, as relevant. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability. The Company is also subject to numerous accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Company's financial results, the manner in which it conducts its business or the marketability of any of its products.

In the future, the geographic scope of the Company's business may expand, and such expansion will require the Company to comply with the tax laws and regulations of multiple jurisdictions. Requirements as to taxation vary substantially among jurisdictions. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Company to penalties and fees in the future if the Company were to inadvertently fail to comply. In the event the Company was to inadvertently fail to comply with applicable tax laws, this could have a material adverse effect on the business, results of operations and financial condition of the Company.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, assumptions and uncertainties are found in this AIF under the heading "*Cautionary Statement Regarding Forward-Looking Information*".

DIVIDENDS AND DISTRIBUTIONS

There are no restrictions that would prevent the Company from paying dividends on the Common Shares; however, the Company has neither declared nor paid any dividends on the Common Shares since incorporation and has not established any dividend or distribution policy. The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon the Company's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on the Common Shares in the immediate future.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized common share capital of the Company consists of an unlimited number of Class A Common shares, Class B Common shares and Class C Common shares without par value. As of the date hereof there are an aggregate of 21,568,359 Class A Common shares issued and outstanding (on a non-diluted basis) as fully paid and non-assessable common shares in the capital of the Company, and there are no Class B Common shares or Class C Common shares outstanding.

Class A Common Shares

The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of Shareholders. Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive $100 per Common Share in priority to any payment on the Class B Common shares and Class C Common shares, after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive non-cumulative dividends as and when declared by the Board in respect of the Common Shares on a pro rata basis. The Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Class B Common Shares

The holders of the Class B Common shares are not entitled to receive notice of and to attend meetings of the shareholders of the Company, except as expressly provided in the CBCA, and are not entitled to vote at such meetings. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Class B Common shares will be entitled to receive $50 per Class B Common share in priority to any payment on the Class C Common shares, after the payment by the Company of all of its liabilities and its payments to the holders of Class A Common shares. The holders of Class B Common shares are entitled to receive non-cumulative dividends as and when declared by the Board in respect of the Class B Common shares on a pro rata basis. The Class B Common shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Class C Common Shares

The holders of the Class C Common shares are not entitled to receive notice of and to attend meetings of the shareholders of the Company, except as expressly provided in the CBCA, and are not entitled to vote at such meetings. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its Shareholders for the purpose of winding-up its affairs, the holders of the Class C Common shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities, its payments to the holders of Class A Common shares and its payments to the holders of Class B Common shares. The holders of Class C Common shares are entitled to receive non-cumulative dividends as and when declared by the Board in respect of the Class C Common shares on a pro rata basis. The Class C Common shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Options

2020 Stock Option Plan

On October 2, 2020, the Board adopted a stock option plan (the “**2020 Stock Option Plan**”). Under the 2020 Stock Option Plan, the Company may, at its discretion, grant to directors, officers, employees or consultants of the Company (collectively, the "**Service Providers**") options to acquire Common Shares of the Company (the "**Options**"). The 2020 Stock Option Plan was adopted with the intention of helping the Company attract, retain and motivate the Service Providers of the Company and its subsidiaries and to align their personal interests with those of the Company and its shareholders.

In accordance with the 2020 Stock Option Plan, the total number of Common Shares reserved for issuance under the 2020 Stock Option Plan and all of the Company's other previously established or proposed share compensation arrangements:

1. in aggregate cannot exceed 10% of the total number of issued and outstanding Common Shares, on an undiluted basis at any given time; and

2. to any eligible person granted an Option, within a one-year period cannot exceed 5% of the Common Shares issued and outstanding, on an undiluted basis.

Under the 2020 Stock Option Plan, among other things, the total number of Common Shares which may be issuable under the 2020 Stock Option Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period to any eligible person granted an Option cannot exceed 5% of the Common Shares issued and outstanding on the grant date, on an undiluted basis.

Subject to early termination in case of dismissal for cause, early retirement, voluntary resignation or dismissal without cause, or in the event of death or disability, all options granted under the 2020 Stock Option Plan expire on the date set by the Board as the option expiry date, which must not be later than five years from the option grant date. Options granted under the 2020 Stock Option Plan are not transferable or assignable.

2021 Stock Option Plan

On July 7, 2021, the Company announced that the Board had approved amendments to the 2020 Stock Option Plan (such amended plan is referred to herein as the "**2021 Stock Option Plan**", and together with the 2020 Stock Option Plan, the "**Mednow Stock Option Plan**"). Approval of the 2021 Stock Option Plan is subject to approval by the TSXV and the shareholders of the Company.

Pursuant to the 2021 Stock Option Plan, the maximum number of Common Shares issuable pursuant to Options granted under the 2021 Stock Option Plan is 4,323,551 Common Shares, or such additional amount as may be approved from time to time by the shareholders of the Company and the TSXV.

The 2021 Stock Option Plan is administered by the Board, which has full authority to grant the Options. Options may be granted under the 2021 Stock Option Plan to the Service Providers of the Company and its subsidiaries, if any, that the Board may designated from time to time. The exercise price of the Options will be set by the Board at the time of each grant, but in any event may not be less than the minimum price prescribed by the policies of the TSXV.

Pursuant to the 2021 Stock Option Plan, all outstanding Options previously granted by the Company pursuant to the 2020 Stock Option Plan, shall be governed by and subject to the 2021 Stock Option Plan, as of the effective date of the 2021 Stock Option Plan.

Similarly, to the 2020 Stock Option Plan, all options granted under the 2021 Stock Option Plan expire on the date set by the Board as the option expiry date, which must not be more than five years from the option grant date, subject to early termination in the case of dismissal for cause, early retirement, voluntary resignation or dismissal without cause, or in the event of death or disability. Options granted under the 2021 Stock Option Plan are not transferable or assignable.

In accordance with the policies of the TSXV, the terms of an Option may not be amended once issued. If an Option is cancelled prior to its expiry date, the Company must post notice of the cancellation and shall not grant new Options to the same person until 30 days have elapsed from the date of cancellation. As of the date of this AIF, there are 3,279,500 Options outstanding under the Mednow Stock Option Plan.

MARKET FOR SECURITIES

Trading Price and Volume

The following table sets out information relating to the monthly trading of the Common Shares on the TSXV (under the symbol "MNOW") during the year ended July 31, 2021 and up to the date of this AIF:

Month	High (Cdn$)	Low (Cdn$)	Volume (# of Common Shares)
March 2021[(1)]	$4.29	$2.95	527,200
April 2021	$3.43	$1.88	715,700
May 2021	$2.10	$1.44	465,700
June 2021	$2.90	$1.20	478,400
July 2021	$2.85	$1.60	211,900
August 2021	$1.92	$1.22	667,800
September 2021	$1.48	$1.23	303,600
October 2021	$1.31	$0.88	1,021,700
November 2021	$1.24	$0.89	812,900
December 2021	$1.35	$0.95	370,500
January 2022	$1.35	$0.92	478,600
February 2022[(2)]	$1.04	$0.88	114,000

Notes:

(1) March 9 to March 31, 2021. On March 9, 2021, the Common Shares commenced trading on the TSXV under the symbol "MNOW".

(2) February 1 to February 10, 2022.

Prior Sales

During the year ended July 31, 2021 and up to the date of this AIF, the Company issued the following securities, which are convertible into Common Shares but are not listed or quoted on a marketplace:

Date of Issuance	Type of Security	Number of Securities	Issue Price Per Security
January 21, 2021	Options[(1)]	1,561,000[(5)]	$1.75
March 4, 2021	Warrants[(2)]	2,746,163	$0.001
March 4, 2021	CF Fee Units[(3)]	274,616	N/A
March 4, 2021	Agents' Warrants[(4)]	439,386	N/A
June 11, 2021	Options[(1)]	399,500	$1.65
July 2, 2021	Options[(1)]	870,000[(5)]	$1.85
October 20, 2021	Options[(1)]	449,000	$1.40

Notes:

(1) Issued under the Mednow Stock Option Plan to certain officers, directors, employees and consultants of the Company.

(2) Issued as part of the March Units in the IPO on March 4, 2021, with each March Unit consisting of one Common Share and one-half of one Warrant. See under the heading "*General Development of the Business – Three Year History – Events from August 2, 2020 to Fiscal Year Ended July 31, 2021.*"

(3) Issued to certain fiscal advisors in connection with the IPO on March 4, 2021. See under the heading "*General Development of the Business – Three Year History – Events from August 2, 2020 to Fiscal Year Ended July 31, 2021.*"

(4) Issued to certain agents in connection with the IPO on March 4, 2021. See under the heading "*General Development of the Business – Three Year History – Events from August 2, 2020 to Fiscal Year Ended July 31, 2021.*"

(5) Pursuant to Board resolutions dated October 1, 2021, the Company cancelled 100,000 Options issued on January 21, 2021 and 100,000 Options issued on July 2, 2021.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets out the securities of the Company that are, to the Company's knowledge, held in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class as at the date of this AIF:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	14,709,267(1))	68.20%(2)
Options	1,150,000(3)	35.08%(4)
Warrants	2,351,128(5)	35.09%(6)

Notes:

(1) An aggregate of 14,709,267 Common Shares are subject to escrow, TSXV seed share resale restrictions or contractual restrictions on transfer as follows: (i) 11,000,000 Common Shares issued at $0.00001 per Common Share are: (A) subject to contractual restrictions on transfer for the Lock-up Period applicable to Common Shares issued at $0.00001 per Common Share in accordance with the terms of the Lock-Up Agreements; and: (B) held in escrow pursuant to the Escrow Agreement and subject to release as follows: 25% of the securities will be released on June 4, 2024; 25% of the securities will be released on September 4, 2024; 25% of the securities will be released on December 4, 2024; and 25% of the securities will be released on March 4, 2025; (ii) 2,294,016 Common Shares issued at $0.55 are: (A) subject to contractual restrictions on transfer for the Lock-up Period applicable to Common Shares issued at $0.55 per Common Share in accordance with the terms of the Lock-Up Agreements; and (B) of these 2,294,016 Common Shares, 1,376,410 Common Shares are subject to TSXV seed share resale restrictions with such Common Shares released in accordance with the following schedule: 33.33% on March 4, 2022, an additional 33.33% released every 6 months thereafter; and (iii) in addition to those Common Shares subject to the Lock-up Agreements as described in Note 2(i)(A) and 2(ii)(A), 1,415,419 Common Shares issued at $1.75 per Common Share are subject to contractual restrictions on transfer for the Lock-up Period applicable to Common Shares issued at $1.75 per Common Share in accordance with the terms of the Lock-Up Agreements. See under the heading "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer – Lock-up Agreements*".

(2) Based on 21,568,359 Common Shares issued and outstanding as at the date hereof.

(3) An aggregate of 1,150,500 Options are subject to escrow or contractual restrictions on transfer as follows: (i) 580,000 Options are: (A) held in escrow pursuant to the Escrow Agreement and subject to release as follows: 25% of the securities will be released on June 4, 2024; 25% of the securities will be released on September 4, 2024; 25% of the securities will be released on December 4, 2024; and 25% of the securities will be released on March 4, 2025; and (B) of these 580,000 Options, 265,000 Options are subject to contractual restrictions on transfer for the Lock-up Period applicable to Options in accordance with the terms of the Lock-Up Agreements; (ii) 90,000 Options are: (A) held in escrow pursuant to an escrow agreement entered into among certain shareholders of the Company and Endeavour in connection with the IPO and subject release as follows: 20% of the securities will be released on March 4, 2022, with an additional 20% of the securities released every 6 months thereafter; and (B) of these 90,000 Options, 60,000 Options are subject to contractual restrictions on transfer for the Lock-up Period applicable to Options in accordance with the terms of the Lock-Up Agreements; and (iii) in addition to those Options subject to the Lock-Up Agreements as described in Note 3(i)(B) and 3(ii)(B), 480,500 are subject to contractual restrictions on transfer for the Lock-up Period applicable to Options in accordance with the terms of the Lock-Up Agreements. See under the heading "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer – Lock-up Agreements*".

(4) Based on 3,279,500 Options issued and outstanding as at the date hereof.

(5) An aggregate of 2,351,128 Warrants are subject to escrow or contractual restrictions on transfer as follows: (i) 499,999 Warrants are held in escrow pursuant to the Escrow Agreement and subject to release as follows: 25% of the securities will be released on June 4, 2024; 25% of the securities will be released on September 4, 2024; 25% of the securities will be released on December 4, 2024; and 25% of the securities will be released on March 4, 2025; (ii) 1,147,005 Warrants are subject to contractual restrictions on transfer for the Lock-up Period applicable to Warrants exercisable at a price of $0.80 per Common Share in accordance with the terms of the Lock-Up Agreements; and (iii) 704,124 Warrants are subject to contractual restrictions on transfer for the Lock-up Period applicable to Warrants exercisable at a price of $2.63 per Common Share in accordance with the terms of the Lock-Up Agreements. See under the heading "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer – Lock-up Agreements*".

(6) Based on 6,700,279 Warrants issued and outstanding as at the date hereof.

Lock-up Agreements

In connection with the IPO, each of the Locked-up Persons entered into a Lock-up Agreement, agreeing that, among other things, they will not, directly or indirectly, sell, contract to sell, lend, swap, monetize, pledge or enter into any other agreement to transfer the economic consequences of ownership of, or otherwise dispose of or deal with, or publicly announce any such intention, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other equity securities of the Company (or securities convertible, exchangeable or exercisable into Common Shares or other equity securities) owned by them, directly or indirectly, on the IPO Closing Date or acquired after the IPO Closing Date (collectively, the "**Locked-up Securities**"), for a period beginning on the IPO Closing Date and until and to the extent that such Locked-up Securities are released from the restrictions in the Lock-up Agreement in accordance with the following release schedules (each, a "**Lock-up Period**"):

(i) in respect of the Common Shares acquired at a price of $0.00001, for a period of four (4) years from the IPO Closing Date, with 25% of such Locked-up Securities released each quarter commencing on the 39-month anniversary of the IPO Closing Date;

(i) in respect of the Common Shares acquired at a price of $0.55, for a period of two (2) years from the IPO Closing Date, with 25% of such Locked-up Securities released each quarter commencing on the 15-month anniversary of the IPO Closing Date;

(ii) in respect of the Warrants exercisable at a price of $0.80 per Common Share and the Common Shares issuable upon exercise thereof, for a period of two (2) years from the IPO Closing Date, with 25% of such Locked-up Securities released each quarter commencing on the 15 month anniversary of the IPO Closing Date;

(iii) in respect of the Common Shares acquired at a price of $1.75, for a period of 15 months from the IPO Closing Date, with 50% of such Locked-up Securities released on the 6-month anniversary of the IPO Closing Date and the remaining 50% released on the 15 month anniversary of the IPO Closing Date;

(iv) in respect of the Warrants exercisable at a price of $2.63 per Common Share and the Common Shares issuable upon exercise thereof, for a period of 15 months from the IPO Closing Date, with 50% of such Locked-up Securities released on the 6 month anniversary of the IPO Closing Date and the remaining 50% released on the 15 month anniversary of the IPO Closing Date; and

(v) in respect of options of the Company exercisable to acquire the Common Shares at a price of $1.75, for a period of 15 months from the IPO Closing Date, with 50% of such Locked-up Securities released on the 6 month anniversary of the IPO Closing Date and the remaining 50% released on the 15 month anniversary of the IPO Closing Date.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets forth information with respect to the directors and executive officers of the Company, including their respective provinces or states and countries of residence, their position(s) with the Company, their principal occupations for the last five years, the dates on which they first became directors or officers of the Company and the number of the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by such persons or such persons' respective associates or affiliates.

The directors hold office until the next annual meeting of the Company or until they otherwise cease to hold office in accordance with the Company's Articles. The term of office of the executive officers expires at the discretion of the Board.

Name, Province/State and Country of Residence	Position with the Company	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number and Percentage of Common Shares Held(1)
Karim Nassar, Toronto, Ontario, Canada	Chief Executive Officer	VP Digital Health and Strategy, Care Pharmacies (February 2019 to November 2019); New Business Development Director, Innomar Strategies (May 2018 to February 2019); Partner, Patient Insight Network Inc. (January 2016 to May 2018); VP Corporate Development and Advisor, WinterLight Labs (November 2017 to December 2017); Director of Corporate Strategy and Business Development, McKesson Canada (October 2013 to December 2015)	Since April 1, 2020	1,105,960(5) 5.13%
Benjamin Ferdinand, Toronto, Ontario, Canada	Chief Financial Officer	Chief Financial Officer, Aleafia Health (August 2018 to June 2021). Managing Director of Enterprise Platform Strategies, TMX Group (Jan 2018 to Aug 2018). Vice President of Finance, Strategy and Corporate Development, TMX Group (September 2012 to Dec 2017)	Since June 7, 2021	6,700 0.03%
Amir Ali Reyhany-Bozorg, Richmond Hill, Ontario, Canada(2)(3)	President and Director	Chief Executive Officer, Care Group of Pharmacies (June 2006 to Present)	Since January 17, 2018	6,260,901(6)(7)(8) 29.03%
Felipe Campusano, London, Ontario, Canada(2)(4)	Treasurer, Corporate Secretary and Director	Co-Founder, Care Group of Pharmacies (June 2006 to Present)	Since January 17, 2018	5,064,901(7)(8)(9) 23.48%
Kia Besharat, Vancouver,	Director	Senior Managing Director and Head of Capital Markets Origination, GSI (January 2016 to Present)	Since May 26, 2020	750,000(10) 3.48%

Name, Province/State and Country of Residence	Position with the Company	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number and Percentage of Common Shares Held(1)
British Columbia, Canada(3)(4)				
Mahdi Shams, Vancouver, British Columbia, Canada(2)(3)(4)	Director	Partner, MLT Aikins LLP (January 2015 to Present); Associate, Goodmans LLP (August 2009 to January 2015)	Since February 23, 2021	Nil 0%

Notes:

(1) Based on 21,568,359 Common Shares issued and outstanding as of the date of this AIF.
(2) Member of the Audit Committee.
(3) Member of the Corporate Governance Committee.
(4) Member of the Compensation Committee.
(5) Includes: 90,909 Common Shares held by Pin Inc., a company beneficially owned and controlled by Karim Nassar.
(6) Comprised of: 255,000 Common Shares held by Amir Ali Reyhany-Bozorg Pharmacist Professional Corp., a company beneficially owned and controlled by Mr. Reyhany-Bozorg; 3,000,000 Common Shares held by Reyhany-Bozorg (2015) Family Trust, a trust of which Mr. Reyhany-Bozorg is beneficiary; 2,909,901 Common Shares held by Care Health and 32,000 Common Shares of Backrow Investments Inc., of which Mr. Reyhany-Bozorg is a director and shareholder.
(7) Felipe Campusano and Amir Ali Reyhany-Bozorg own approximately 52% and occupy two of the three board seats of Care Health, which holds 2,909,901 Common Shares.
(8) Felipe Campusano and Amir Ali Reyhany-Bozorg each own approximately 50% of Backrow Investments Inc. and have controlling interest in this company.
(9) Comprised of: 2,145,000 Common Shares held by Campusano (2015) Family Trust, a trust of which Felipe Campusano is beneficiary; as well as 10,000 Common Shares of Backrow Investments Inc. and 2,909,901 Common Shares held by Care Health, of which Mr. Campusano is a director and shareholder.

Aggregate Ownership of Securities

As at the date of this AIF, the Company's directors and executive officers as a group beneficially own, directly or indirectly, or exercise control of, 13,188,462 Common Shares, collectively representing 61.15% of the 21,568,359 issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the Company’s knowledge, at the date of this AIF, no director or executive officer of the Company is, or was within 10 years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under Securities Legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or

(ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under Securities Legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the Company's knowledge, no director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(i) is as at the date of this AIF, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge, and other than as disclosed herein, no director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(i) any penalties or sanctions imposed by a court relating to provincial and territorial Securities Legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, except as disclosed elsewhere in this AIF, the Company is not aware of any existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with the Company's business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See also "*Risk Factors – Risks Relating to the Business – Conflicts of Interest*".

Pursuant to the CBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest.

In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

PROMOTERS

Each of Amir Ali Reyhany-Bozorg, President and a director of the Company, Felipe Campusano, Treasurer, Corporate Secretary and a director of the Company, and Karim Nassar, Chief Executive Officer of the Company, is considered to be a promoter of the Company as each took the initiative in organizing certain aspects of the business of the Company when the Company was initially formed.

Mr. Reyhany-Bozorg has ownership and control of 6,260,901 Common Shares and 300,000 Options representing 29.03% of the issued and outstanding Common Shares and 9.15% of the issued and outstanding Options, respectively in each case as of the date of this AIF. Mr. Reyhany-Bozorg beneficially owns, indirectly through his professional corporation, 100 Class A Special Shares – Series 1 in each of Infusicare, Mednow Ontario Ltd. and Mednow Liver Care Inc. Each such Class A Special Shares – Series 1 are non-voting shares. The Company or a subsidiary of the Company acquired certain assets from Mr. Reyhany-Bozorg as follows:

(i) Pursuant to the Mednow West Agreement, the Company acquired certain common shares in the capital of Mednow West from Mr. Reyhany-Bozorg at a price of $742.09 per Mednow West share, among other things. The Company completed the acquisition of Mednow West on October 25, 2021. For further information regarding the acquisition of Mednow West, see information under the heading *"General Development of Business – Three Year History – Events Subsequent to Fiscal Year Ended July 31, 2021"*.

(ii) Pursuant to the Infusicare Agreement, the Company acquired shares of Infusicare from a corporation in which Mr. Reyhany-Bozorg is a beneficial shareholder. The acquisition of Infusicare completed on December 10, 2021. For further information regarding the acquisition of Infusicare, see information under the heading *"General Development of Business – Three Year History – Events Subsequent to Fiscal Year Ended July 31, 2021"*.

For further information regarding Mr. Reyhany-Bozorg, see information under the heading "*Directors and Executive Officers*."

Mr. Campusano has ownership and control of 5,064,901 Common Shares and 215,000 Options representing 23.48% of the issued and outstanding Common Shares and 6.55% of the issued and outstanding Options, respectively in each case as of the date of this AIF. Mr. Campusano does not beneficially own, directly or indirectly, or exercise control over, any voting or equity securities in any subsidiaries of the Company. The Company or a subsidiary of the Company acquired certain assets from Mr. Campusano as follows:

(i) Mednow West Agreement, the Company acquired certain common shares in the capital of Mednow West from Mr. Campusano at a price of $742.09 per Mednow West share, among other things. The Company completed the acquisition of Mednow West on October 25, 2021. For further information regarding the acquisition of Mednow West, see information under the heading *"General Development of Business – Three Year History – Events Subsequent to Fiscal Year Ended July 31, 2021"*.

(ii) Pursuant to the Infusicare Agreement, the Company acquired shares of Infusicare from a corporation in which Mr. Campusano is a beneficial shareholder. The acquisition of Infusicare completed on December 10, 2021. For further information regarding the acquisition of Infusicare, see information under the heading *"General Development of Business – Three Year History – Events Subsequent to Fiscal Year Ended July 31, 2021"*.

For further information regarding Mr. Campusano, see information under the heading "*Directors and Executive Officers*."

Mr. Nassar has ownership and control of 1,105,960 Common Shares and 200,000 Options representing 5.13% of the issued and outstanding Common Shares and 6.10% of the issued and outstanding Options, respectively in each case as of the date of this AIF. Mr. Nassar does not beneficially own, directly or indirectly, or exercise control over, any voting or equity securities in any subsidiaries of the Company. The Company or a subsidiary of the Company acquired certain assets from Mr. Nassar as follows:

(i) Pursuant to the Mednow West Agreement, the Company acquired certain common shares in the capital of Mednow West from Mr. Nassar at a price of $742.09 per Mednow West share, among other things. The Company completed the acquisition of Mednow West on October 25, 2021. For further information regarding the acquisition of Mednow West, see information under the heading *"General Development of Business – Three Year History – Events Subsequent to Fiscal Year Ended July 31, 2021"*.

For further information regarding Mr. Nassar, see information under the heading "*Directors and Executive Officers*."

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not, and was not during the most recently completed financial year, or from the end of the most recently completed financial year to the date of this AIF, a party to, nor was any of its property the subject of, any legal proceedings or regulatory actions material to the Company, and no such proceedings or actions are known to be contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, no director, executive officer, or principal shareholder of the Company or an associate or affiliate of a director, executive officer or principal shareholder of the Company has or had any material interest, direct or indirect, in any transaction within the three years before the date of this AIF, or in any proposed transaction, that has materially affected or will materially affect the Company.

Each of Karim Nassar, Chief Executive Officer of the Company, Amir Ali Reyhany-Bozorg, President and Director of the Company, and Felipe Campusano, Treasurer, Corporate Secretary and Director of the Company, are directors of and beneficially control Mednow East, which is a counterparty to the Company under the Mednow East Pharmacy Agreement. Under the Mednow East Pharmacy Agreement, among other things: the Company agreed to provide Mednow East with an on-demand interest free loan in the amount of $450,000 (which was subsequently increased to $725,000); and Mednow East granted the Company with the option to purchase all of the issued and outstanding Mednow East shares or all or substantially all of Mednow East's assets. See "*General Development of the Business – Three-Year History*".

Each of Amir Ali Reyany-Bozorg and Felipe Campusano were also shareholders of Infusicare, which was a counterparty to the Infusicare Agreement. Under the Infusicare Agreement, among other things: the Company acquired all of the issued and outstanding shares of Infusicare for an aggregate cash payment of approximately $1,850,000. See "*General Development of the Business – Three-Year History*".

Each of Amir Ali Reyhany-Bozorg and Felipe Campusano are vendors in the Liver Care Transaction and are counterparties to the Company under the Liver Care Purchase Agreement, under which the Company will acquire, directly or through an affiliate, all of the issued and outstanding shares of Liver Care Canada for cash consideration of $65,000, and two subsequent earn-out payments in the amount of 0.1x of the revenue generated by Liver Care Canada in each of its 2022 and 2023 financial years. See "*General Development of the Business – Three-Year History*".

Each of Amir Ali Reyhany-Bozorg and Felipe Campusano are indirect vendors in the London Transaction and are counterparties to the Company under the London Purchase Agreement under which the Company will acquire, directly or through an affiliate, all of the issued and outstanding shares of London Pharmacare for cash consideration of $585,000, and two subsequent earn-out payments in the amount of 0.1x of the revenue generated by London Pharmacare in each of its 2022 and 2023 financial years. See "*General Development of the Business – Three-Year History*".

TRANSFER AGENTS, REGISTRARS AND AUDITORS

The transfer agent and registrar of the Company is Endeavor Trust Corporation of 702 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

MATERIAL CONTRACTS

The following is a summary of each material contract, other than contracts entered into in the ordinary course of the Company business, that was entered into in the financial year ended July 31, 2021, or up to the date of this AIF, that is still in effect:

1. The Mednow East Pharmacy Agreement. See "*General Development of the Business – Three Year History – Events from August 1, 2020 to Fiscal Year Ended July 31, 2021*" for further details.

2. The Mednow West Pharmacy Agreement. See "*General Development of the Business – Three Year History – Events from August 1, 2020 to Fiscal Year Ended July 31, 2021*" for further details.

3. The Escrow Agreement. See "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*" for further details.

4. The Infusicare Agreement. See "*General Development of the Business – Three Year History – Events Subsequent to Fiscal Year Ended July 31, 2021*" for further details.

5. The Liver Care Purchase Agreement. See "*General Development of the Business – Three Year History – Events Subsequent to Fiscal Year Ended July 31, 2021*" for further details.

6. The London Purchase Agreement. See "*General Development of the Business – Three Year History – Events Subsequent to Fiscal Year Ended July 31, 2021*" for further details.

INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by the person or company are named in this AIF as having prepared or certified any of the aforementioned documents or any part thereof described in this AIF.

MNP LLP, as auditor of the Company, has confirmed that they are independent with respect to the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee Charter sets out the Audit Committee's responsibilities and authority, procedures governing meetings, qualifications for membership and particulars governing the role of the chair of the Audit Committee. A copy of the Audit Committee Charter is attached as Appendix "A" hereto.

Composition of the Audit Committee

As at the date of this AIF, the following individuals are the current members of the Audit Committee and will hold office until the next annual general meeting of shareholders of the Company:

Felipe Campusano (Chair)	Independent(1)	Financially Literate(1)
Mahdi Shams	Independent(1)	Financially Literate(1)
Amir Ali Reyhany-Bozorg	Not Independent(2)	Financially Literate(1)

(1) For the purposes of the requirements established by NI 52-110 applicable to venture issuers.
(2) Amir Ali Reyhany-Bozorg is the current President of the Company and would not be considered independent under NI 52-110.

The members of the Audit Committee are appointed by the Board at its first meeting following the annual Shareholders' meeting. Unless a chair is elected by the full Board, the members of the Audit Committee designate a chair by a majority vote of the full Audit Committee membership.

Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee is as follows:

Felipe Campusano

Mr. Campusano holds a Bachelor of Science from Queens University and a Pharmacy degree from the University of Toronto (2006). Felipe purchased his first pharmacy the day he received his licence to practice pharmacy in Ontario. Currently Felipe has an interest in over 70 pharmacies across Canada. Felipe is also the Founder of Liver Care Canada and is chairman of its board. He also holds the position of acting Chief Executive Officer for Solar Grants Biotechnology, a biotech start-up located in London, Ontario. Felipe is a people first entrepreneur with skill sets in team recruitment, formation and management.

He has experience founding, purchasing and operating successful pharmacies across Canada. Felipe is a former member of public boards both here and in the United States where he provided guidance on a variety of areas including rapid expansion, sales and customer service.

Mahdi Shams

Mr. Shams practices in all areas of corporate law including securities, mergers and acquisitions and corporate commercial law. Mr. Shams acts for both public and private companies and has worked on a broad range of domestic and international transactions, including public offerings, public and private mergers and acquisitions, commercial sale agreements, debt and equity financings, private placements, and corporate reorganizations. Mr. Shams holds a JD/MBA from Dalhousie University and a Bachelor of Arts from the University of British Columbia.

Amir Ali Reyhany-Bozorg

Mr. Reyhany-Bozorg has over 20 years of experience in owning and operating pharmacies and other health related businesses across Canada. As Co-Founder and Chief Executive Officer and Care Group of Pharmacies, Mr. Reyhany-Bozorg has led Care Pharmacies to becoming the largest pharmacist-controlled independent pharmacy chain in Canada. Care Pharmacies has over 45 locations and $150 million of revenue; additionally, Care Pharmacies recently completed a $30 million growth investment by Credit Mutuel Equity, a €3 billion private equity fund of Credit Mutuel Alliance Federale. Mr. Reyhany-Bozorg was named as one of Canada's Top 40 Under 40 for 2020, presented by BNN Bloomberg and the Financial Post.

Mr. Reyhany-Bozorg holds Bachelor of Science in Pharmacy from the Faculty of Pharmacy at the University of Toronto.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee's charter attached hereto as Appendix "A".

External Auditor Service Fees (By Category)

The following table sets out the aggregate fees billed by MNP LLP, the Company's external auditors, for the years ended July 31, 2021, 2020 and 2019.

Financial Year Ending	*Audit Fees(1)*	*Audit Related Fees(2)*	*Tax Fees(3)*	*All Other Fees(4)*
July 31, 2021	$141,405	Nil	$13,215	$28,035
July 31, 2020	$37,450	Nil	$2,675	Nil
July 31, 2019	Nil	Nil	$1,418	$1,208

(1) "Audit Fees" include the aggregate fees billed in each financial year for audit fees.
(2) "Audit Related Fees" include the aggregate fees billed in each financial year for assurance and related services to the performance of the audit or review of the Company's financial statements not already disclosed under "Audit Fees".
(3) "Tax Fees" are the aggregate fees billed by the auditor for tax compliance, tax advice and tax planning.
(4) "All Other Fees" include aggregate fees billed for products or services not already reported in the above table.

Reliance on Certain Exemptions

The Company is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's final long form prospectus filed on SEDAR on February 26, 2021 prepared in connection with the listing of the Common Shares on the TSXV.

Additional financial information is provided in the Company's audited annual financial statements and accompanying management's discussion and analysis ("**MD&A**") for the years ended July 31, 2021 and 2020.

APPENDIX "A"

AUDIT COMMITTEE CHARTER

MEDNOW INC.
(the "Corporation")

1. Mandate

The audit committee will assist the board of directors of the Corporation (the "**Board**") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each audit committee member must obtain an understanding of the principal responsibilities of audit committee membership as well and the Corporation's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Corporation or of an affiliate of the Corporation.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the audit committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

(a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(a) The audit committee may satisfy the requirement for the pre-approval of non- audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided;

(ii) the Corporation and its subsidiaries did not recognize the services as non- audit services at the time of the engagement; and

(iii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(a) The audit committee may also satisfy the requirement for the pre-approval of non- audit services by adopting specific policies and procedures for the engagement of non- audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board; and

(g) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and formal external auditor of the Corporation.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about audit committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the audit committee; and

(c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

(a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

(b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

(c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

(a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and

(b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

(c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

(a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;

(b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(d) consider management's handling of proposed audit adjustments identified by the external auditors; and

(e) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

(a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(b) meet with management and the auditors (where considered necessary), either telephonically or in person, to review the interim financial statements; and

(c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

(i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

(ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;

(iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions;

(vi) the Corporation's financial and operating controls are functioning effectively;

(vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

(a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and

(c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

(a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.