MCI ONEHEALTH TECHNOLOGIES INC.

Consolidated Financial Statements
(In Canadian Dollars)

And independent Auditor's Report thereon

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Independent Auditor's Report

To the Shareholders of MCI Onehealth Technologies Inc.

Opinion
We have audited the consolidated financial statements of MCI Onehealth Technologies Inc. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment

Description of the key audit matter

As discussed in Note 2 to the consolidated financial statements, cash generating units ("CGUs") are tested for impairment at any reporting date when indicators of impairment are present.

Auditing management's impairment test for the CGUs involved significant auditor attention because there is significant judgement required in determining the fair value of the CGU. The estimates of the CGU fair values are calculated using discounted cash flows, including significant assumptions about revenue and medical cost trends, operating costs and discount rates, which are impacted by expectations about future market or economic conditions.

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How the key audit matter was addressed in the audit

Our audit procedures related to the assumptions used by management to estimate the fair value of certain CGUs included the following, among others:

- We compared the significant assumptions used in management's model to current industry and economic trends, recent historical performance and other relevant factors.
- We performed sensitivity analysis of significant assumptions to evaluate the changes in the fair value of the CGU that would result from changes in the assumptions.
- We evaluated the incorporation of the applicable assumptions into the model and tested the model's computational accuracy.
- We involved our valuation specialists in review of the modelling approach used by management, testing significant assumptions such as discount and growth rates, and assessing the underlying data used by the Company in its model for completeness.

Other Information
Management is responsible for the other information. The other information comprises the information, included in Management's Discussion and Analysis for the year ended December 31, 2020.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jamie Barron, CPA, CA.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
March 31, 2021

MCI Onehealth Technologies Inc.

Consolidated Statement of Financial Position (In thousands of Canadian dollars, except per share amounts)
As at 31 December 2020 and 2019

	Note	2020	2019
ASSETS			
Cash		**$ 894**	$ 1,128
Accounts receivable	5	**3,637**	2,622
Net investment in subleases	12	**381**	392
Current portion of other assets	7	**866**	37
		5,778	4,179
Net investment in subleases	12	**1,304**	1,758
Property and equipment	8	**13,572**	15,830
Intangible assets	9	**640**	282
Deferred tax assets	20	**813**	380
Other assets	7	**251**	255
TOTAL ASSETS		**22,358**	**22,684**
LIABILITIES			
Accounts payable and accrued liabilities	11	**6,998**	3,223
Current portion of promissory note		**-**	95
Current portion of related party loan	6	**1,210**	1,253
Current portion of lease liability	12	**2,535**	2,537
		10,743	7,108
Non-current portion of lease liability	12	**11,298**	13,313
Other liabilities		**80**	-
		22,121	**20,421**
EQUITY			
Share capital	13	**1,011**	-
Retained earnings (deficit)		**(897)**	2,141
Equity attributable to MCI Onehealth Technologies Inc.		**114**	2,141
Non-controlling interest		**123**	121
Total equity		**237**	**2,262**
TOTAL LIABILITIES AND EQUITY		**22,358**	**22,684**

The financial statements were approved by the Board of Directors and authorised for issue on 29 March 2021.
They were signed on behalf by:

"Dr. George Christodoulou" – Director "Dr. Seven Grail"– Director

See accompanying notes to the consolidated financial statements.

MCI Onehealth Technologies Inc.

Consolidated statement of loss and comprehensive loss (In Canadian Dollars)
for the year ended 31 December 2020 and 2019 (In thousands of Canadian dollars, except per share amounts)

	Note	2020	2019
Revenue		$ 38,573	$ 46,291
Expenses			
Physician fees		25,649	31,030
Salary, wages, and benefits		5,828	8,180
Occupancy costs		2,373	3,168
Office expenses		4,253	2,177
Depreciation and amortization	16	2,955	3,120
Finance costs	17	607	666
Expected credit losses	5	202	313
		41,867	48,656
		(3,294)	**(2,365)**
Other income	18	1,872	2,276
Interest income on subleases	12	64	76
(Gain) loss on sublease contracts		19	-
(Gain) loss on disposal of property and equipment		-	(17)
		1,955	2,335
Loss before taxes		(1,339)	(30)
Income taxes (recovery)	20	(312)	91
Net Loss and comprehensive loss for the year		(1,027)	(121)

ATTRIBUTED TO:	**2020**	**2019**
Shareholders of MCI Onehealth Technologies Inc.	$ (1,029)	(122)
Non-Controlling interests	2	1
	$ (1,027)	$ (121)
Loss per share attributable to MCI Onehealth Technologies Inc-		
Basic and diluted (Note 23)	$ (0.03)	$ (0.01)

See accompanying notes to the consolidated financial statements.

MCI ONEHEALTH TECHNOLOGIES INC.

Consolidated Statement of Changes in Equity (In Canadian Dollars)
(In thousands of Canadian dollars, or thousands of shares)
For the year ended December 31, 2020

	Note	Shares	Share Capital	Retained Earnings (Deficit)	Total	Non-Controlling interest	Total Equity
Balance-January 1, 2018		200	-	$ 2,261	$ 2,262	$ 121	$ 2,383
Net and comprehensive income (loss)		-	-	(121)	(121)	-	(121)
Balance- December 31, 2019		200	-	$ 2,141	$2,141	$ 121	$ 2,262
Net and comprehensive income (loss)		-	-	(1,029)	(1,029)	2	(1,027)
Dividends issued	13	-	-	(2,009)	(2,009)	-	(2,009)
Share issuance	13	11	1,011	-	1,011	-	1,011
Cancellation of Common shares	13	(211)	(1,011)	-	(1,011)	-	(1,011)
Class A Subordinate Voting Shares	13	40,000	1,011	-	1,011	-	1,011
Class B Multiple Voting Shares	13	36,000	-	-	-		-
Balance- December 31, 2020		76,000	$ 1,011	$ (897)	$ 114	$ 123	$ 237

See accompanying notes to the consolidated financial statements.

MCI Onehealth Technologies Inc.

Consolidated Statement of Cash Flows (In Canadian Dollars)
(In thousands of Canadian dollars, except per share amounts)
for the year ended 31 December 2020 and 2019

	Note	2020	2019
Operating activities:			
Loss for the year		**$ (1,027)**	$ (120)
Items not affecting cash:			
Depreciation and amortization	16	**2,955**	3,120
Deferred tax expense	20	**(433)**	91
Non-cash interest accreted income	12	**(64)**	(76)
Non-cash interest accreted expense	12	**497**	532
Non-cash compensation expense	13	**751**	-
Rent concessions	12	**(371)**	-
Expected credit losses	5	**202**	313
Gain on sublease contracts		**(19)**	-
(Gain) loss on disposal of property and equipment		**-**	17
		2,491	3,877
Change in non-cash operating items:	21	**1,731**	(664)
Net cash flows generated by operating activities		**4,222**	3,213
Investing activities			
Purchase of property and equipment	8	**(85)**	(122)
Product development costs		**(149)**	-
Net cash flows used in investing activities		**(234)**	(122)
Financing activities			
Advances to related parties, net	**6**	**(43)**	(310)
Dividends		**(2,009)**	-
Payment of promissory note		**(100)**	(100)
Proceeds from CEBA loans		**80**	-
Lease payments	12	**(2,606)**	(2,930)
Lease payments received	12	**456**	449
Common shares issued		**-**	-
Net cash flows from financing activities		**(4,222)**	(2,891)
Increase (decrease) in Cash		**(234)**	200
CASH - Beginning		**1,128**	928
CASH - Ending		**$ 894**	$ 1,128

See accompanying notes to the consolidated financial statements.

NATURE OF BUSINESS AND BASIS OF PREPARATION

1. REPORTING ENTITY

MCI Onehealth Technologies Inc ("MCI") is a company incorporated in Canada. MCI changed its name from MCI Brighthealth Technologies Inc. on December 2, 2020, previously changed its name to MCI Brighthealth Technologies Inc. Inc. on September 14, 2020 from MCI Brighthealth Inc., and which previously changed its name from Altima Healthcare Canada Inc. on August 27, 2020.

The consolidated financial statements of MCI as at and for the years ended December 31, 2020 and December 31, 2019 comprise MCI and its subsidiaries (together referred to as the "Company" or "the Group"). The Group owns and operates medical clinics in Ontario and Alberta. The head office, principal address, and records of the Group are located at 1 Yorkdale Road, Suite 209, Toronto, Ontario M6A 3A1.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board "(IASB"). The Board of directors approved the statements on March 29, 2021.

b) **Functional and presentation currency:**

These consolidated financial statements are presented in their functional currency, which is Canadian dollars. Each entity within the consolidated financial statements operates in Canada and reports in Canadian dollars.

c) Use of estimates and judgement:

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual consolidated financial statements are disclosed.

Significant accounting estimates, judgements and assumptions include the following:

(i) Leases

Management uses judgment and estimates in the determination of the lease term for some lease contracts in which the Group is a lessee including whether the Group is reasonably certain to exercise lessee options. Management uses judgment and estimates in the determination of the incremental borrowing rate used to measure lease liabilities.

(ii) Estimated useful lives of property and equipment.

Management estimates the useful lives of property and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is

possible that changes in these factors may cause significant changes in the estimated useful lives of the Group's property and equipment in the future.

(iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Changes in these assumptions could result in impairment being recorded.

(iv) Accounts Receivable

The Company evaluates the collectability of the trade receivables at both a specific and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired, together with receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

a) Basis of consolidation:

The consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of inter-company transactions and balances. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognized in the consolidated statement of loss and comprehensive loss.

Profit or loss and each component are attributed to the equity holders of the parent of the Group and to the non-controlling interests.

These consolidated financial statements include the Company and the following subsidiaries:

MCI Medical Clinics Inc.	wholly owned subsidiary
MCI Medical Clinics (Alberta) Inc.	wholly owned subsidiary
MCI Medical Clinics (BC) Inc.	wholly owned subsidiary (dormant)
MCI Prime Urgent Care Inc.	80% owned subsidiary

All the subsidiaries of the Company are incorporated and located in Canada.

b) Business Combinations and Goodwill:

The Group applies the acquisition method to account for business combinations. The consideration for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interests over the net identifiable assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of loss and comprehensive loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

c) Cash:

Cash consists of cash on hand and held in bank accounts.

d) Revenue recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those services. If the consideration promised in a contract includes a variable amount, for example, contingent fees or service level penalties, the Group includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognized will not occur.

The Group determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract, or contracts with a customer. Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Group satisfies the performance obligations.

The Group owns and operates medical clinics in Ontario and Alberta. The Group generates its revenue from two main sources: medical services and other income.

Medical services revenue is earned at a single point in time through the Group's medical clinics. The majority of this revenue is reimbursed by the provincial health insurers. The remaining revenue from medical services are not eligible for government reimbursement, and as such are charged directly to patients and/or third parties. The Group's performance obligations for medical services are satisfied as services are rendered.

Revenue from provincial healthcare insurers is subject to audit and retroactive adjustments. To management's knowledge, there are no material claims, disputes or other unsettled matters that exist concerning payments from provincial insurers.

Other income consists of sub-lease rental income which is recognized over the course of the lease term. Pharmacy revenue consists of fixed monthly payments from certain pharmacies based on the number of patients seen at MCI clinics. Pharmacy revenue is recognized at the end of each month based on the stated contract rates and the number of patients seen in that month. Revenue is recorded when collection is reasonably assured. Affiliate revenue consists of arrangements with third party entitles to provide space to market and sell medical products for a fixed monthly fee and a commission on product sales.

e) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment loss. Cost includes expenditures that are directly attributable to the acquisition of an asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and are recognised net within other expenses in the consolidated statement of loss and comprehensive loss.

Costs associated with the day-to-day servicing of property and equipment are recognised in the consolidated statement of loss and comprehensive loss as incurred.

Depreciation is provided on a straight-line basis over the estimated useful life of property, plant, and equipment, as this most closely reflects the pattern of consumption of the future economic benefits embodied in the asset. Useful lives are as follows:

Medical equipment	-	3 - 10 years
Furniture and equipment	-	5 - 10 years
Right-of-use assets	-	Term of the right-of-use plus renewal options
Leasehold improvements	-	Term of lease plus renewal options

f) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected

pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of loss and comprehensive loss. Amortization is being provided over the estimated useful life of the assets using the straight-line method over the following.

Physician contracts	5 years
Favourable contracts	5 years
Software Development	3 years

Software development assets are currently not amortized as the assets are not yet available for use.

g) Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Leases are those contracts that meet the following criteria:

- there is an identified asset.
- the Group obtains substantially all the economic benefits from the use of the asset; and
- the Group has the right to direct the use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the provider has those rights, the contract is not identified as a lease.

In determining whether the Group derives substantially all the economic benefits from the use of the asset, the Group considers only the economic benefits arising from the use of the asset, not those incidentals to legal ownership or other potential benefits.

In determining whether the Group is entitled to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If important decisions are not made because they are predetermined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or part of a contract does not meet these criteria, the Group applies other applicable IFRS instead of IFRS 16.

All leases are accounted by recognizing a right-of-use asset and a lease liability except for leases of low value assets; and leases with a duration of 12 months or less.

The right-of- use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of- use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot

be readily determined, the Group's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The estimated discount rate of the Group's leases was between 2.11% and 3.89%.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognized in the statement of loss and comprehensive loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of- use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e., it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

In classifying a sublease, the Group classifies the sublease as a finance lease, or an operating lease as follows:

- If the head lease is a short-term lease, the sublease is classified as an operating lease.
- Otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

Effective June 1, 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- The reduction is lease payments affects only payments originally due on or before 30 June 2021; and

- There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Group, occurred from March 2020 to June 2020. Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

h) Impairment of Non-Financial Assets:

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the consolidated statement of loss and comprehensive loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of loss and comprehensive loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Taxes:

Current income tax

Current income taxes are the expected taxes payable on the taxable income for the year, using income tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to income taxes payable in respect of previous years.

Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as well as the impact of unused tax loss carry forwards and unused tax credits at the reporting date. Temporary tax differences that do not result in temporary differences include goodwill, the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit, and investments in subsidiaries, associates, and interests in joint arrangements where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable. Enacted or substantively enacted rates in effect at the consolidated balance sheet date that are expected to apply when the deferred income tax asset is realized, or the deferred tax liability is settled are used to calculate deferred income taxes.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

j) Financial Instruments:

Classification of Financial Instruments

The Group classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Group determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Group has opted to measure them at FVTPL.

The Group's financial assets and liabilities are classified as follows:

Cash	Amortized cost
Accounts receivable	Amortized cost
Other assets	Amortized cost

Due to related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory notes	Amortized cost
Lease liabilities	Amortized cost
Other liabilities	Amortized cost

Measurement of Financial Instruments

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise.

Impairment

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables and contracts assets are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Losses are recognized in the statements of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss.

k) Government Grants and Disclosure of Government Assistance

The Company recognizes government grants when there is reasonable assurance that the Company will comply with the corresponding conditions attached to the grant and that the grant will be received. Government grants are recognized in the consolidated statement of loss and comprehensive loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate and are disclosed as part of other Income. Any government grants due but not received at the reporting date are included in accounts receivable.

l) Earning (loss) per Share:

Basic earnings (loss) per share is determined by dividing the net income (loss) available to common shareholders by the weighted average number of shares outstanding. The Group does not hold any instruments that could potentially dilute earnings per share.

m) Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in profit and loss as incurred. To date, no development costs have been capitalized.

n) SR&ED Investment tax credits

The Group claims investment tax credits as a result of incurring scientific research and experimental development ("SR&ED") expenditures. Investment tax credits are recognized when the related expenditures are incurred and there is reasonable assurance of their realization. Investment tax credits are accounted for as a reduction of research and development expense on the statement of comprehensive profit and loss. Management has made a number of estimates and assumptions in determining the expenditures eligible for the investment tax credit claim. It is possible that the allowed amount of the investment tax credit claim could be materially different from the recorded amount upon assessment by regulatory authorities. To date, no SR&ED investment tax credits have been claimed or recorded.

o) Adoption of New or Amended Accounting Not Yet Effective

Other accounting standards and amendments to existing accounting standards that have been issued and have future effective dates are not applicable or are not expected to have a significant impact on the Group's consolidated financial statements.

4. GLOBAL PANDEMIC –COVID-19

In March 2020, the World Health Organization declared the outbreak of a disease caused by a novel strain of the coronavirus (COVID-19) to be a pandemic. This pandemic has had widespread, rapidly evolving and unpredictable impacts on global societies, economies, financial markets and business practices. Federal and state governments have implemented measures to contain the virus, including physical distancing, travel restrictions, border closures, limitations on public gatherings, work from home, supply chain logistical changes and closure of non-essential businesses.

Epidemic and pandemic diseases, such as the outbreak of COVID-19, may have a significant impact on MCI. The Group continues to adapt to the impacts of COVID-19 on the business, with the health and safety of employees, patients, and communities as the highest priority. Since the World Health Organization's declaration of the global pandemic in March 2020, we successfully expedited our business continuity program, however, a risk of this nature may still have a material adverse impact on our business, results of operations and financial condition.

In response to the negative economic impact of COVID-19, various government programs were announced to provide financial relief to affected businesses. The Government of Canada introduced the CEWS program, which subsidizes a portion of employee wages (up to a specified maximum) for Canadian employers whose businesses have met eligibility criteria. The program is intended to help employers rehire previously laid off workers, prevent further job losses, and better position Canadian businesses to resume normal operations. The Government of Canada also introduced the and Canada's Emergency Commercial Rent Assistance Program ("CECRA") to provide rent and other relief to businesses, non-profits and charities that have experienced revenue declines during the COVID-19 pandemic. The Company has obtained approximately $2,967 in assistance from the Canada Emergency Wage Subsidy (CEWS) and Canada's Emergency Commercial Rent Assistance Program (CERCA) which has been recorded as reduction of the total General and administrative expenses.

The Company has considered the significant impact of COVID-19 on the business in 2020 with all but one clinic remaining open for the entire year. One clinic has remained closed since the second quarter due to the closure of the building. The Company has two other clinics within 1 kilometer of the closed location, which have enabled it to mitigate some of the impact of the closed location.. The Company expects a return to full operations in all medical clinics by the end of 2021, with a growth in revenue for 2022.

Due to the fluidity of the COVID-19 pandemic and the uncertainty of its magnitude, outcome and duration, the Company is unable to definitively quantify its potential impact. The Company has taken measures to manage costs, including a reduction of operating expenses.

5. ACCOUNTS RECEIVABLE

Accounts receivables consist of the following

	2020	2019
Trade receivables- Public insured health services	$ 2,405	$ 2,369
Trade receivables- Others	1,427	259
Expected credit losses	(195)	(6)
	$ 3,637	$ 2,622

The change in the allowance for expected credit losses are as follows:

	2020	2019
As at January 1,	$ 6	$ 62
Provision for expected credit losses	202	313
Write off	(13)	(369)
As at December 31,	$ 195	$ 6

The provision for expected credit losses and write-off includes $13 (2019 - $ 305) from advances to a related party (Note 6), which were fully provided for and written off during the year.

6. RELATED PARTY BALANCES AND TRANSACTIONS

The following related parties have engaged in transactions with the Group:

a) Altima Dental Holdings Inc. - directors of the Company hold key management positions.
b) Altima Dental Services Ontario Inc. - directors of the Company hold key management positions.
c) MCI Dermatology (Woodbridge) Inc. - controlled by Directors of the Company.
d) Onehealth Technologies Inc. - controlled by Directors of the Company.
e) First Canadian Holding Corp – controlled by directors of the Company.

Amounts due to related parties are as follows:

	2020	2019
Due to (from) Onehealth Technologies inc.	$ (43)	$ -
Due to Altima Dental Holdings Inc.	1,253	1,253
	$ 1,210	$ 1,253

The Group engaged in the following transactions with related parties:

	2020	2019
Altima Dental Holdings Inc.		
Repayment of due to related parties	$ -	$310
Altima Dental Services Ontario Inc.		
Occupancy costs	150	149
Rental income	415	415
MCI Dermatology (Woodbridge) Inc.		
Advances to related party	13	305
Expected credit loss expense (Note 5)	13	305
First Canadian Holding Corp		
Occupancy cost	54	77
Rent forgiveness	-	77

Advances to and from related parties that are non-interest bearing and due on demand. All related party transactions have been recorded at the amount of consideration established and agreed upon by the related parties in the normal course of business.

7. OTHER ASSETS

Other assets consist of:

	2020	2019
Prepaid expenses	$ 377	$212
Share's issuance expenses -Note 27	489	-
Security deposits	251	80
	1,117	292
Less: current portion	(866)	(37)
Non-current portion	$ 251	$ 255

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

a) Cost

	Medical equipment	Furniture and Equipment	Leasehold Improvements	Right-of-use Assets	Total
Balance, December 31, 2018	$ 1,513	$ 4,897	$ 9,632	$ 20,357	$ 36,399
Additions	9	67	46	1,238	1,360
Disposals	(49)	(85)	(274)	-	(408)
Balance, December 31, 2019	$ 1,473	$ 4,879	$ 9,404	$ 21,595	$ 37,351
Additions	11	31	43	-	85
Modifications of ROU assets	-	-	-	542	542
Disposals	-	-	-	(201)	(201)
Balance, December 31, 2020	$ 1,484	$ 4,910	$ 9,447	$ 21,936	$ 37,777

b) Accumulated depreciation

	Medical equipment	Furniture and Equipment	Leasehold Improvements	Right-of-use Assets	Total
Balance, December 31, 2018	$1,344	$ 4,497	$ 7,856	$ 5,147	$ 18,844
Depreciation	42	100	356	2,569	3,067
Disposals	(46)	(79)	(265)	-	(390)
Balance, December 31, 2019	$ 1,340	$ 4,518	$ 7,947	$7,716	$ 21,521
Depreciation	37	99	283	2,484	2,903
Modifications of ROU assets	-	-	-	(18)	(18)
Disposals	-	-	-	(201)	(201)
Balance, December 31, 2020	$ 1,377	$ 4,617	$ 8,230	$ 9,981	$ 24,205

c) Carrying amounts

	Medical equipment	Furniture and Equipment	Leasehold Improvements	Right-of-use Assets	Total
Balance, December 31, 2019	$ 133	$ 361	$ 1,457	$ 13,879	$ 15,830
Balance, December 31, 2020	$ 107	$ 293	$ 1,217	$ 11,955	$ 13,572

9. INTANGIBLE ASSETS

Intangible assets consist of the following:

a) Cost

	Physician Contracts	Favourable Contracts	Goodwill	Software Development	Total
Balance, December 31, 2018	$ 187	$ 75	$ 151	$ -	$ 413
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance, December 31, 2019	$ 187	$ 75	$ 151	-	$ 413
Additions	-	-		410	410
Disposals	-	-	-	-	-
Balance, December 31, 2020	$ 187	$ 75	$ 151	$410	$ 823

b) Accumulated amortization

	Physician Contracts	Favourable Contracts	Goodwill	Software Development	Total
Balance, December 31, 2018	$ 56	$ 23	$ -	$ -	$ 79
Additions	-	-	-	-	-
Amortization	37	15	-	-	52
Balance, December 31, 2019	$ 93	$ 38	$ -	-	$ 131
Amortization	37	15	-	-	52
Disposals	-	-	-	-	-
Balance, December 31, 2020	$ 130	$ 53	$ -	$-	$ 183

c) Carrying amounts

	Physician Contracts	Favourable Contracts	Goodwill	Software Development	Total
Balance, December 31, 2019	$ 94	$ 37	$ 151	$ -	$ 282
Balance, December 31, 2020	$ 57	$ 22	$ 151	$ 410	$ 640

10. BANK CREDIT FACILITY

The Group, through MCI Medical Clinics Inc., has an available revolving operating credit facility available of up to the lesser of $1,000 (2019 -$1,000) or 80% of the outstanding qualifying OHIP receivables plus 75% of other qualifying receivables. Interest would be charged at the prime rate plus 0.5%. The facility is secured by a general security agreement against all property of the subsidiary.

The Group, through MCI Medical Clinics (Alberta) Inc., has an available operating line of credit of $250,000. Borrowings under this credit facility bear interest at prime plus 0.8%. The credit facility is secured by a general security agreement against the assets of the subsidiary.

At year end, the credit facilities were not in use (2019 - $nil).

On March 15, 2021, MCI Medical Clinics Inc., amended its line of credit facility with the Bank to increase the line to $1,500 from $1,000 (note 27).

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2020	2019
Trade payables	$4,509	$2,423
Income taxes payables	126	-
Accrued liabilities	2,228	656
Deposits	135	144
	$ 6,998	$ 3,223

12. LEASES

The Group leases various clinic spaces for its operations and subleases its excess office and clinic spaces to subtenants.

Rental contracts are typically made for fixed periods of 5 to 10 years. Extension options are included in the majority of leases for clinic space and typically range from 5 to 10 years. These terms are used to maximize operational flexibility in terms of managing the Group's clinic space. For the majority of its leases with renewal options, the Group has not included lease payments under extension options as it is not reasonably certain that renewal options on those leases will be exercised. Substantially all the property leases contain variable lease payments for operating costs that are based on actual costs incurred by the lessor. The variable operating costs do not depend on an index or a rate and are recognized as an expense in the period the are incurred.

The Group's lease liability and lease receivable as at December 31 are as follows:

	2020	2019
Lease liability - current	$ 2,535	$2,537
Lease liability – non-current	11,298	13,313
Total Lease liability	$ 13,833	$ 15,850

	2020	2019
Lease receivable - current	$ 381	$ 392
Lease receivable – non-current	1,304	1,758
Total Lease receivable	$ 1,685	$ 2,150

Amounts recognized in the consolidated statement of loss and comprehensive loss

	2020	2019
Expenses relating to variable lease payments		
Not included in the measurement of lease liabilities	$ 2,006	$2,436
Expenses related to short-term leases	26	36
Lease income from operating leases	90	42
Interest income on subleases	64	76

Lease liability

Lease liability interest expense recognized in comprehensive loss and lease payments recognized in the financing component of statement of cash flows are as follows:

	2020	2019
Balance-Beginning	$15,850	$17,010
Lease modification	463	1,238
New leases	-	-
Interest expense (note 17)	497	532
Rent concessions	(371)	
Lease cash payments	(2,606)	(2,930)
Balance - Ending	$ 13,833	15,850

The maturity analysis of lease liabilities at December 31, 2020 is as follows:

	Minimum lease payments due			
	< 1 year	**1 – 5 years**	**>5 years**	**Total**
Lease payments	$ 3,014	$ 10,386	$ 1,748	$ 15,148
Finance charges	(423)	(831)	(61)	(1,315)
Lease liabilities	$ 2,591	$ 9,555	$ 1,687	$ 13,833

Net investment in subleases

Rental contracts for subleases are typically made for fixed periods of 1 to 10 years but may have extension options ranging from 5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at December 31, 2020, the Group had sublease contracts for 7 spaces, with an average remaining life to expiry (including extension term) of 4.76 years (2019-4.9 years).

Lease receivable interest income recognized in comprehensive loss and lease recoveries recognized in the financing component of statement of cash flows are as follows:

	2020	**2019**
Balance-Beginning	$2,150	$2,523
Additions	-	-
Lease modifications	(73)	-
Interest income	64	76
Lease cash recoveries	(456)	(449)
Balance - Ending	$ 1,685	$ 2,150

As at December 31, 2020, the minimum rent expected to be received under net investment in subleases is as follows:

2021	$ 429
2022	437
2023	442
2024	263
2025	184
More than five years	55
	$ 1,810
Unearned finance income	(125)
	$ 1,685

As at December 31, 2020, the minimum rent expected to be received under operating leases for the next five years and thereafter is as follows:

2021	$ 33
2022	37
2023	38
2024	40
2025	41
More than five years	4
	$ 193

13. SHARE CAPITAL

The Company has authorized an unlimited number of Class A Subordinate Voting Shares, Class B Multiple Voting Shares and Preferred Shares (2019 – unlimited number of common share and preference shares). As at December 31, 2020, there were 40,000,000 Class A Subordinate Voting Shares and 36,000,000 Class B Multiple Voting Shares issued and no outstanding common shares (2019-200 common shares).

On November 2, 2020, the Company issued 10.5 common shares to its CEO in lieu of a signing bonus and the assignment of certain intellectual property ("IP"). The amounts allocated to the IP and bonus were $ 260 and $ 751, respectively based on the fair value of the Company's common shares on the date of issuance.

On December 23,2020, the Company filed Articles of amendment to amend its share capital. The changes were to:

a) to create an unlimited number of shares of one class designated as Class A Subordinate Voting Shares.
b) to create an unlimited number of shares of one class designated as Class B Multiple Voting Shares.
c) to create an unlimited number of shares of one class designated as Preferred Shares.
d) to change the 210.5 issued and outstanding common shares of the Company into 40,000,000 Class A Subordinate Voting Shares and 40,000,000 Class B.
e) To automatically cancel Class B Multiple Voting Share, upon the first date that a Class A Subordinate Voting Shares is transferred by a holder who also owns a Class B Multiple Voting Share to someone other than a Permitted Holder or when the holders of the Class B Multiple Shares in aggregate hold less than 5% of the aggregate number of outstanding Class A Subordinate Voting Shares.
f) to cancel the classes of shares designated as common shares and preference shares and delete the rights, privileges, restrictions and conditions thereto.
g) to provide that the rights, privileges, restrictions and conditions attaching to the Class A Subordinate Voting Shares, Class B Multiple Voting Shares and Preferred Shares shall be as follows:

(i) The Class A Subordinate Voting Shares and the Class B Multiple Voting Shares shall be subject to and subordinate to the rights, privileges, restrictions and conditions attaching to the

Preferred Shares and the shares of any other class ranking senior to the Class A Subordinate Voting Shares and the Class B Multiple Voting Shares,

(ii) and the Class A Subordinate Voting Shares shall have the right to receive dividends.

(iii) The Class B Multiple Voting Shares shall not be entitled to any Rights, other than special voting rights equal to nine votes per each Class A Subordinate Voting Share.

Pursuant to a resolution dated December 30, 2020, 4,000,000 Class B Multiple Voting Shares were cancelled pursuant to section 1.5 of the articles of amendment dated December 23, 2020.

	Common shares	Class A Subordinate Voting Shares	Class B Subordinate Voting Shares	Amount
Balance-December 31, 2018	200	-	-	$ -
Balance-December 31, 2019	200	-	-	$ -
Share issuance	10.5	-	-	1,011
Share amendment				
Cancellation of Common shares	(210.5)	-	-	(1,011)
Issuance of Class A Subordinate shares	-	40,000,000		1,011
Issuance of Class B Multiple Voting shares	-	-	40,000,000	-
Cancellation of Class B Multiple Voting shares	-	-	-(4,000,000)	-
Balance-December 31, 2020	-	40,000,000	36,000,000	$ 1,011

Dividends

During the year ended December 31, 2020, the Company declared and paid a $ 2,009 (2019-$ nil) dividend to all common shareholders of record at close of business on March 16, 2020.

14. SHARE BASED PAYMENT ARRANGEMENTS

At December 31, 2020, the Company had the following share-based payment arrangements:

(a) Stock option plan:

On December 22, 2020, the Board of Directors established an omnibus long-term incentive plan (the "Equity Incentive Plan"), under which Options, Restricted Share Units ("RSUs"), Deferred Share Units ("DSUs"), performance awards or other share or performance- based awards (collectively, the "Awards") may be granted to employees, officers, consultants and non-employee directors of the Company and its affiliates. The Equity Incentive Plan mandates that the maximum aggregate number of outstanding options shall not exceed 10% of the outstanding common shares at the relevant grant date. Option Plan will continue to have a contractual life of 5 years.

At December 31, 2020, no awards were outstanding (2019-Nil).

15. GOVERNMENT ASSISTANCE

As a result of the COVID-19 pandemic that occurred during the year, the federal government offered various economic relief programs of which the Group received the subsidies under the Canada Emergency Wage Subsidy (CEWS) and Canada's Emergency Commercial Rent Assistance Program (CERCA).

The subsidies included in net income:

	2020	2019
Canada Emergency wage subsidy included within General and administrative expenses	$2,241	$-
Canada Emergency Commercial Rent Assistance CECRA) General and administrative expenses	726	-
	$ 2,967	$ -

During the year, the Company received a total of $ 80 ($40 each for two of its subsidiaries) under the Canada Emergency Business Account ("CEBA") loan to finance qualifying non-deferrable expenses during COVID-19. The loan is non-interest bearing with no scheduled payments until December 31, 2022. If $60 ($30 each for two of its subsidiaries) of the loan has been repaid by that date, the remaining $20, will be forgiven. If the $60 in loan payments have not been made by December 31, 2022, the full outstanding balance will be converted to a 5% interest bearing loan to be repaid in monthly installments over a three-year period ending December 31, 2025. Loans has been recorded at its fair value at the date the loan was received.

16. DEPRECIATION AND AMORTIZATION

Depreciation and amortization consist of the following:

	2020	**2019**
Depreciation of property, plant and equipment	$ 2,903	$ 3,068
Amortization of intangible assets	52	52
	$ 2,955	$ 3,120

17. FINANCE COSTS

Finance costs consist of the following:

	2020	**2019**
Interest on lease liabilities	$ 497	$ 532
Bank charges and fees	106	$ 130
Accretion expense (Note 6)	4	4
	$ 607	$ 666

18. OTHER INCOME

Other income consists of the following:

	2020	2019
Pharmacy subsidy	$ 401	$ 410
Affiliate revenue	62	207
Rental income	1,409	1,659
	$ 1,872	$ 2,276

19. KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Key management personnel include the members of the executive team. The remuneration of these individuals was as follows:

	2020	2019
Salary, wages and benefits	$ 1,260	$ 277

20. INCOME TAXES

Income taxes consists of the following:

	2020	2019
Current income tax	$ 121	$ -
Deferred tax recovery	(433)	92
	$ (312)	$ 92

Reported income tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates to loss before income tax due to the following:

	2020	2019
Loss before income tax	$ (1,339)	$ (29)
Effective income tax rate	26.2%	26.2%
Expected income tax recovery	(355)	(8)
Tax effect of non - deductible difference	4	5
Other deductible timing differences	39	95
	$ (312)	$ 92

Deferred tax

Deferred tax consists of the following:

	2020	2019
Deductible differences		
Property, plant, and equipment	$ (620)	$ (640)
Leases	194	(178)
Non-capital loss carried forward.	3,547	2,268
Others	(26)	
Deferred tax assets	3,095	1,449
Effective tax rate	26.2%	26.2%
	$ 813	$ 380

The Group's non-capital loss carry forwards expire as follows:

2036	$1,514
2037	8
2038	307
2039	-
2040	1,718
	$3,547

21. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

The change in non-cash working capital items consists of the following:

	2020	2019
Accounts receivable	$ (1,219)	$164
Other assets	(826)	49
Accounts payable and accrued liabilities	3,776	(877)
	$ 1,731	$ (664)

22. CONTINGENCIES

In October 2019, a claim was lodged against MCI Medical Clinics Inc. asserting that the subsidiary had breached a lease agreement for a clinic. The matter is currently being considered by the courts, and the Group expects judgment before the end of 2021. The Group considers it to be too early to make a determination as to its probability of the outcome and has therefore not recognized a provision in relation to this claim. The potential undiscounted amount of the total payments that the Group could be required to make, if there was an adverse decision related to the lawsuit, is estimated to be approximately $3,000,000.

In October 2017, a claim was lodged against MCI Medical Clinics Inc. asserting medical malpractice. The matter is currently being considered by the courts, and the Company expects judgment before the end of 2022. The Company considers it to be too early to make a determination as to its probability of the outcome and has therefore not recognized a provision in relation to this claim. The potential undiscounted amount of the total payments that the Company could be required to make, if there was an adverse decision related to the lawsuit, is estimated to be approximately $5,250,000.

23. EARNINGS PER SHARE

Basic and dilutive earnings per share is calculated by dividing net income (loss) attributable to shareholders by the sum of the weighted average number of shares outstanding.

	2020	2019
Numerator		
Net loss attributable to Group shareholders	$ (1,029)	$ (121)
Denominator		
Weighted average number of Class A subordinate voting shares	**38,332,737**	38,004,750
Basic and diluted loss per share	**$ (0.03)**	$ (0.01)

The weighted average number of shares outstanding and basic and diluted loss per share at December 31, 2019 were restated to reflect the recapitalization of the Company on December 23, 2020.

During the year ended December 31, 2020, there were no (2019 - nil) dilutive potential ordinary shares outstanding.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risks and Concentrations

The Group is exposed to various risks through its financial instruments. The following analysis provides a summary of the Group's exposure to and concentrations of risk at December 31, 2020:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Group's main credit risks relate to its accounts receivable and net investments in sublease. The Group's accounts receivable do not represent a significant concentration of credit risk because the largest part of the accounts are collected from branches of provincial governments (2020 - 66%; 2019 - 90%). The credit risk related to receivables from branches of provincial governments is low due to strong provincial credit ratings, lowering the risk of default. The Group's remaining accounts receivable and net investment in subleases are well diversified among a range of corporations and individual patients and tenants. The Company performed the expected economic loss calculations and adjusted the expected economic loss mainly due to impact of COVID-19 on the ability of certain tenants to pay their obligations on a timely basis, and increased exposure from a category of receivable with limited historical loss information.

b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Group is mainly exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in

market interest rates. As described in Note 10, the Group is exposed to interest rate risk with respect to its credit facilities however at December 31, 2020 and 2019 no amounts were drawn on these facilities.

The following table summarizes the carrying value of the Group's financial instruments:

	2020	2019
Cash	$ 894	$ 1,128
Accounts receivable	3,637	2,622
Accounts payable and accrued liabilities	6,998	3,223
Net investment in subleases	1,685	2,150
Lease liabilities	13,833	15,850
Promissory note	-	96
Related party loan	1,210	1,253
Other liabilities	80	-

Financial assets and liabilities are recognized on the consolidated statement of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs)

Due to the short-term maturities of cash, accounts receivable, accounts payable, related party loans, other liabilities, accrued liabilities, and the promissory note the carrying amounts of these financial instruments approximate fair value at the respective balance sheet date.

There were no financial instruments measured or disclosed categorized as level 1, 2 or 3 fair value within the hierarchy as at December 31, 2020 and 2019. There were no transfers of assets or liabilities between levels during the years ended December 31, 2020 and 2019. The reported amounts of net investment in subleases and lease liabilities approximates fair value due to the application of a market rate of interest when initially recognizing the financial assets or financial liability.

c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Group manages this risk by managing its working capital, ensuring that sufficient credit is available and by generating sufficient cash flow from operations. The following are the contractual maturities of financial liabilities as at December 31, 2020:

	< 1 year	2 – 5 years	Over 5 years
Lease liabilities	$ 2,591	$ 9,555	$ 1,687
Accounts payable and accrued liabilities	6,994	-	-
Due to related party	1,210	-	-
CEBA Loan	-	60	-
	$ 10,795	$ 9,615	$ 1,687

25. CAPITAL MANAGEMENT

Company's objective in managing capital is to ensure sufficient liquidity to pursue our growth strategy, fund research and development to enhance new product offerings, undertake selective acquisitions and provide sufficient resources to meet day-to-day operating requirements, while at the same time taking a conservative approach towards management of financial risk.

In managing the capital structure, the company takes into consideration various factors, including the growth of the business and related infrastructure. Company's officers and senior management are responsible for managing the capital and do so through quarterly meetings and regular review of financial information. Company's Board of Directors are responsible for overseeing this process. Company manages capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the cash flows from operations and capital transactions. To maintain or adjust capital structure, the Group may attempt to issue new shares or acquire or dispose of assets.

The Company does not have any externally imposed capital requirements.

26. SEGMENT REPORTING

The Group determined the operating segments based on information reviewed by the Group's chief operating decision makers, which consist of the shareholders, the Chief Executive Officer (CEO), Chief Operating Officer (COO) and the Chief Financial Officer (CFO). Chief decision makers review the operations of the clinics as a whole, regardless of geographic locations or medical services provided. For this reason, there is only one operating segment. Additionally, the vast majority of the revenue is from government insured medical services and all clinics operate in substantially the same way. On a regular basis, Chief decision makers review the financial performance of the Group as a whole as well as individual clinics and include both financial and non-financial metrics. During the year, 89% of the Group's medical revenue was received from Ontario Health Insurance Plan (OHIP) and Alberta Health Care Insurance Plan (AHCIP) (2019 - 94%

27. SUBSEQUENT EVENTS

On January 5, 2020, the Company closed its initial public offering ("IPO") of an aggregate of 6,000,000 Class A Subordinate Voting Shares at a price of $ 5.00 per share for aggregate proceeds of $30,000. The Class A Subordinate Voting Shares started trading on the TSX at the opening of the business on January 6, 2021.

In connection with the IPO, the Company incurred share issue costs of $1,885 and the net proceeds from the IPO were $28,115. The Company booked a total of $ 926 during the year ended December 31, 2020, of which $ 437 were included in the Statement of comprehensive loss and $ 489 are included in Other assets (note-7) which will be reallocated to share capital upon completion of the IPO.

In connection with the IPO, the Company had granted the Underwriters an over-allotment option (the "Over-Allotment Option"), exercisable in whole or in part for a period of 30 days following the closing of the IPO, to purchase up to an additional 900,000 Class A Subordinate Voting Shares at a price of $5.00 per share for additional gross proceeds of up to approximately $4,500,000 to the Company, if the Over-Allotment Option was exercised in full. The Over-Allotment Option was not exercised by the underwriters.

On January 6, 2021, the Company granted 3,420,000 options to purchase Class A Subordinate Voting Shares with an exercise price of $5.00 per share with a four-year vesting period with 25% of the options vesting in equal annual instalments after the first year. These options have expected life of 5 years.

On February 16, 2021, the Company acquired Onehealth Technologies Inc., a company under the control of two directors of the Company. The purchase consideration was $1.00 and the assumption of the obligations of Onehealth Technologies Inc. under a promissory note in the amount of $115.

On March 15, 2021, MCI Medical Clinics Inc., amended its line of credit facility with the bank to increase the line to $1.5 million from $1.0 million.

On March 26, 2021, the Company invested $250 to purchase an interest in Acorn Biolabs, Inc. through a Simple Agreement for Future Equity (SAFE) instrument issued by Acorn Biolabs, Inc.