WELL HEALTH TECHNOLOGIES CORP.
(formerly Wellness Lifestyles Inc.)
Annual Consolidated Financial Statements

December 31, 2018

Expressed in Canadian Dollars

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Independent auditor's report

To the Shareholders of WELL Health Technologies Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WELL Health Technologies Corporation and its subsidiaries (together, the Company) as at December 31, 2018, and its financial performance and its cash flows for the period from November 1, 2017 to December 31, 2018 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statement of loss and comprehensive loss for the period from November 1, 2017 to December 31, 2018;
- the consolidated statement of financial position as at December 31, 2018;
- the consolidated statement of changes in shareholders' equity for the period from November 1, 2017 to December 31, 2018;
- the consolidated statement of cash flows for the period from November 1, 2017 to December 31, 2018; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards and International Standards on Auditing. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Comparative information

The financial statements of the Company for the year ended October 31, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on February 26, 2018.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 IFRS, 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 Company’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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’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 and International Standards on Auditing 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 and International Standards on Auditing, 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 Company'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 Company'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 Company 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 Company 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 Robert Coard.

Signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Vancouver, British Columbia
April 29, 2019

WELL Health Technologies Corp. (formerly Wellness Lifestyles Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Canadian Dollars)

	For the fourteen months ended December 31, 2018 $	For the twelve months ended October 31, 2017 $
Revenue (Note 5)	**10,559,800**	-
Expenses		
Cost of healthcare services and supplies	**(7,424,021)**	-
General and administrative (Note 6)	**(4,792,723)**	(603,391)
Stock-based compensation (Note 13)	**(905,515)**	(17,300)
Loss before interest, discontinued operations and time-based earn out	**(2,562,459)**	(620,691)
Interest income	**57,843**	-
Interest expense (Note 11)	**(26,351)**	-
Time-based earn-out expense (Note 17)	**(64,481)**	-
Net loss from continuing operations	**(2,595,448)**	(620,691)
Net loss from discontinued operations (Note 20)	**(214,439)**	(4,945,668)
Net loss for the period	**(2,809,887)**	(5,566,359)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Currency translation adjustment	**8,386**	7,999
Total comprehensive loss for the period	**(2,801,501)**	(5,558,360)
Loss per share from continuing operations		
Basic and diluted	**(0.04)**	(0.03)
Loss per share for the period		
Basic and diluted	**(0.04)**	(0.24)
Weighted average number of common shares outstanding		
Basic and diluted	**66,498,245**	23,178,645

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

WELL Health Technologies Corp. (formerly Wellness Lifestyles Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	December 31, 2018 $	October 31, 2017 $
Assets		
Current		
Cash and cash equivalents	**2,334,208**	266,474
Restricted cash (Note 17)	**151,896**	-
Accounts and other receivables (Note 7)	**1,130,389**	48,737
Other current asset (Note 12)	**125,613**	36,869
Inventory	**-**	90,143
Total current assets	**3,742,106**	442,223
Available-for-sale financial asset (Note 8)	**264,860**	-
Property and equipment (Note 9)	**129,596**	-
Other non-current assets (Note 19)	**178,717**	-
Goodwill (Note 16 and 17)	**8,459,811**	-
Total assets	**12,775,090**	442,223
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities	**1,701,244**	274,409
Current portion of deferred acquisition costs (Note 11)	**303,618**	-
Other current liabilities (Note 10)	**186,960**	52,331
Current portion of loans (Note 20)	**-**	289,745
Contingent consideration (Note 16 and 20)	**-**	75,266
Total current liabilities	**2,191,822**	691,751
Deferred acquisition costs (Note 11)	**382,995**	-
Loans (Note 20)	**-**	412,257
Other non-current liabilities (Note 19)	**54,581**	-
Total liabilities	**2,629,398**	1,104,008
Shareholders' equity		
Share capital (Note 13)	**18,147,024**	5,703,630
Contributed surplus (Note 13)	**1,292,928**	127,344
Accumulated other comprehensive income	**23,766**	15,380
Deficit	**(9,318,026)**	(6,508,139)
Total shareholders' equity	**10,145,692**	(661,785)
Total shareholders' equity and liabilities	**12,775,090**	442,223

Nature of operations, going concern and change in year-end (Note 1)
Events after the reporting period (Note 21)

Approved by the Directors:

"Hamed Shahbazi"
Director

"Thomas Liston"
Director

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

WELL Health Technologies Corp. (formerly Wellness Lifestyles Inc.)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Contributed Surplus $	Accumulated other comprehensive income $	Deficit $	Total shareholders' equity $
Balance at October 31, 2017	41,014,375	5,703,630	127,344	15,380	(6,508,139)	(661,785)
Private placements (Note 13(c))	37,169,578	12,067,616	-	-	-	12,067,616
Share issue costs (Note 13(c))	583,333	(590,793)	-	-	-	(590,793)
Agent warrants issued (Note 13(c) and 13(g))	-	(313,061)	313,061	-	-	-
Shares issued for services (Note 13(d))	373,333	83,500	-	-	-	83,500
Stock-based compensation (Note 13(f))	-	-	905,515	-	-	905,515
Agent warrants exercised (Note 13(g))	499,486	142,042	(52,992)	-	-	89,050
Warrants exercised (Note 13(h))	1,266,832	316,708	-	-	-	316,708
Shares issued for acquisition (Note 17)	1,638,626	737,382	-	-	-	737,382
Currency translation adjustment	-	-	-	8,386	-	8,386
Loss for the period	-	-	-	-	(2,809,887)	(2,809,887)
Balance at December 31, 2018	**82,545,563**	**18,147,024**	**1,292,928**	**23,766**	**(9,318,026)**	**10,145,692**
Balance at October 31, 2016	12,219,949	1,334,722	72,844	7,381	(941,780)	473,167
Private placements (Note 13(c))	9,524,666	1,428,700	-	-	-	1,428,700
Share issue costs (Note 13(c))	-	(96,092)	-	-	-	(96,092)
Agent warrants issued (Note 13(c) and 13(g))	-	(37,200)	37,200	-	-	-
Shares issued for services (Note 13(d))	240,000	36,000	-	-	-	36,000
Stock-based compensation (Note 13(f))	-	-	17,300	-	-	17,300
Shares cancelled (Note 20(b))	(1,220,233)	-	-	-	-	-
Shares issued for acquisition (Note 20(b))	18,649,993	2,797,500	-	-	-	2,797,500
Finder shares issued (Note 20(b))	600,000	90,000	-	-	-	90,000
Shares issued to LR Yoga (Note 20(b))	1,000,000	150,000	-	-	-	150,000
Currency translation adjustment	-	-	-	7,999	-	7,999
Loss for the period	-	-	-	-	(5,566,359)	(5,566,359)
Balance at October 31, 2017	**41,014,375**	**5,703,630**	**127,344**	**15,380**	**(6,508,139)**	**(661,785)**

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

WELL Health Technologies Corp. (formerly Wellness Lifestyles Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the fourteen months ended December 31, 2018 $	For the twelve months ended October 31, 2017 $
Cash flows provided by (used in)		
Operating activities		
Net loss for the period from continuing operations	**(2,595,448)**	(620,691)
Items not involving cash:		
Interest expense	**26,351**	-
Shares issued for services (Note 13(d))	**83,500**	-
Amortization (Note 9)	**21,987**	-
Stock-based compensation (Note 13)	**905,515**	17,300
Change in non-cash operating working capital:		
Accounts and other receivables	**274,588**	(27,902)
Other current assets	**(67,696)**	33,780
Other non-current assets	**(52,595)**	-
Accounts payable and accrued liabilities	**278,053**	(45,842)
Other current liabilities	**69,623**	-
Net cash used in continuing operations	**(1,056,122)**	(643,355)
Net cash used in discontinued operations	**(323,566)**	(240,852)
Investing activities		
Investment into Circle Medical Technologies Inc. (Note 8)	**(264,860)**	-
Restricted cash (Note 17)	**(151,896)**	-
Acquisition of initial 6 clinics, net of cash acquired (Note 16 and 11)	**(3,066,564)**	-
Acquisition of 13 clinics, net of cash acquired (Note 17)	**(4,019,988)**	-
Acquisition of property and equipment (Note 9)	**(151,583)**	-
Net cash used in continuing operations	**(7,654,891)**	-
Net cash (used in) provided by discontinued operations	**(78,266)**	10,744
Financing activities (Note 13)		
Private placements	**12,067,616**	1,428,700
Share issue costs	**(590,793)**	(96,092)
Agent warrants exercised	**89,050**	-
Warrants exercised	**316,708**	-
Net cash provided by continuing operations	**11,882,581**	1,332,608
Net cash used in discontinued operations	**(702,002)**	(229,629)
Net increase in cash	**2,067,734**	229,516
Cash and cash equivalents - beginning of period	**266,474**	36,958
Cash and cash equivalents - end of period	**2,334,208**	266,474

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

1. Nature of operations, going concern and change in year-end

WELL Health Technologies Corp. ("the Company") (formerly Wellness Lifestyles Inc.) was incorporated under the Business Corporations Act of British Columbia on November 23, 2010. On June 1, 2017, the Company changed its name from Movarie Capital Ltd. to Wellness Lifestyles Inc. On July 13, 2018, the Company changed its name from Wellness Lifestyles Inc. to WELL Health Technologies Corp. Effective February 9, 2018, the Company's principal business is the operation of primary clinics delivering healthcare related services. The Company's common shares trade on the TSX Venture Exchange under the symbol WELL.

Effective October 1, 2018, the Company's head office was moved to Suite 200-322 Water St, Vancouver, BC, V6B 1B6.

On December 11, 2018, the Board of Directors approved a resolution to change the Company's year-end from October 31 to December 31. These annual consolidated financial statements for the period ended December 31, 2018 include the results for the 14-months ended December 31, 2018 with comparatives for the 12-months ended October 31, 2017.

These annual consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. As at December 31, 2018, the Company had not yet achieved profitable operations, had an accumulated deficit since inception of $9,318,026 (October 31, 2017 - $6,508,139) and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to develop and/or acquire business projects and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Subsequent to December 31, 2018, the Company completed a non-brokered private placement of approximately $2.73 million – see note 21 for further information. Realization values may be substantially different from carrying values as shown in these annual consolidated financial statements. These annual consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company's Board of Directors approved these annual consolidated financial statements on April 28, 2019.

2. Basis of presentation

These annual 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 preparation of annual 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 in note 4.

3. Significant accounting policies

The significant accounting policies used in the preparation of these annual consolidated financial statements are described below.

a) Basis of measurement

These annual consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

b) Consolidation

These annual consolidated financial statements incorporate the assets and liabilities of the Company and its wholly-owned subsidiaries and the results of the Company and its subsidiaries for the 14 months ended December 31, 2018 and the 12 months ended October 31, 2017. As at December 31, 2018, WELL Health Technologies operates 19 medical clinics through 18 wholly owned subsidiaries, all of which are incorporated in British Columbia, Canada. The Company also holds a 100% interest in an inactive dormant subsidiary which is incorporated in British Columbia, Canada.

Control over a subsidiary exists when the Company is exposed to and has the rights to variable returns of the subsidiary and has the ability to affect those returns through its power over the entity. The existence and effect of voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are deconsolidated from the date control ceases. Intercompany transactions, balances and unrealized gains/losses on transactions between group companies are eliminated.

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is measured at fair value and is equal to the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any liabilities resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company 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 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.

The Company recognizes contingent consideration relating to its business acquisitions at fair value at the date the transaction closes and revalues the component of contingent consideration recognized as a liability at each subsequent reporting date and on settlement. Contingent consideration that will be settled by delivering a fixed number of common shares is classified as equity and not revalued at each subsequent reporting date.

c) Foreign currency translation

Functional and presentation currency

The Company's annual consolidated financial statements are presented in Canadian dollars.

Each entity of the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The determination of functional currency is based on the primary economic environment in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity.

The functional currency of Shakti Yoga Apparel LLC was the US dollar. The functional currency of all other entities in the group is the Canadian dollar.

The Company's financial statements are presented in Canadian dollars. The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statements of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated statement of loss and comprehensive loss are translated at the average exchange rate for that period (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income (loss) as a currency translation adjustment.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (or using the average rate for the period when this is a reasonable approximation). Foreign exchange gains and losses resulting from the translation or settlement of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statements of loss or comprehensive loss.

d) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position and consolidated statements of cash flows comprise cash in banks and short-term monetary instruments with initial maturities of three months or less when purchased or which are redeemable at face value on demand.

e) Financial instruments

The Company classifies its financial assets, as loans and receivables, held-to-maturity investments, available for sale or fair value through profit and loss ("FVTPL"). The Company classifies its financial liabilities as FVTPL or amortized cost. Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in the active market. Financial assets in this category are initially measured at fair value and subsequently at amortized cost less any impairment. Financial assets in this category are assessed for evidence of impairment at each reporting date, with any impairment recognized in earnings for that period.

Held-to-maturity investments
An instrument is classified as held-to-maturity if it is a non-derivative financial asset with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. They are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest method. A gain or loss is recognized in profit or loss when the financial asset or financial liability is derecognized or impaired, and through the amortization process.

Available-for-sale
Available-for-sale ("AFS") financial assets are those non-derivative financial assets that are designated as such or are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) ("OCI") and presented in the fair value reserve in shareholders' equity. When the financial assets are sold, or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

Fair value through profit and loss

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. A financial asset is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for that period.

Financial liabilities at fair value through profit or loss
Financial liabilities are classified as FVTPL when it the financial liability is designated as FVTPL. They are initially recorded at their fair market value. They are subsequently measured at their fair market value, with gains or losses recognized in the statement of loss and comprehensive loss.

Financial liabilities measured at amortized cost
Financial liabilities measured at amortized cost are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost. Subsequent to initial measurement, financial liabilities measured at amortized cost are carried at amortized cost using the effective interest method.

Transaction costs on financial assets and liabilities other than those classified as FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

See note 18 for a summary of the Company's financial instruments by classification.

f) Share-based compensation

The Company has an incentive share option plan as described in note 13(f). The fair value of share options is measured at grant date and each tranche is recognized on a straight-line basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model ("BSM") taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

The BSM requires management to estimate the expected volatility and term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. In estimating expected volatility, the Company considers the historical share price volatility of its common shares as well the historical share price of similar publicly listed entities.

The fair value of share options is charged to profit or loss with a corresponding increase in contributed surplus within equity. Previously recognized expenses are not subsequently reversed for options that vest but are not exercised. If and when share options are ultimately exercised, the applicable amount of contributed surplus is transferred to share capital.

g) Revenue recognition

The Company recognizes revenue from the rendering of patient service once the services have been rendered, the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable.

Accounts receivable are amounts due for services rendered in the ordinary course of business. If collection is expected in twelve months or less, accounts receivable are classified as current assets. If not, accounts receivable are presented as non-current assets. Accounts receivable also include accrued receivables, which are amounts owed to the Company for services rendered and not yet invoiced or billed.

h) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in other comprehensive income ("OCI") or directly in equity, in which case the income tax is also recognized directly in OCI or equity, respectively.

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

In general, deferred tax is recognized in respect of deferred tax consequences attributable to unused tax loss carry-forwards, unused tax credits and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit,
- goodwill; and
- investments in subsidiaries, branches and 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.

Deferred income tax assets and liabilities are presented as non-current and are determined on a non-discounted basis.

i) Share capital

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognized as a deduction from equity. Share issuance costs consist of legal and other costs relating to raising capital. Share capital issued for non-monetary consideration is recorded at an amount based on the fair market value of the shares.

j) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares issued and outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants, and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants, and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For diluted loss per share, the dilutive effect has not been presented separately as it proved to be anti-dilutive.

k) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of loss and comprehensive loss. Gains and losses on the disposal of the component of the discontinued operations, as well as impairment losses and reversals related to the component, are included in the results of discontinued operations. Cash flows of discontinued operations are identified in the consolidated statements of cash flows.

(Expressed in Canadian Dollars)

l) Property and equipment

Property and equipment are stated at cost, less accumulated depreciation, amortization and impairment losses. Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is calculated using the straight-line method to allocate their cost net of their residual values over their estimated useful lives as follows:

• Computer equipment	3 years
• Furniture and fixtures	5 years
• Medical equipment	5 years
• Leasehold improvements	Term of lease

m) Goodwill

Goodwill that arises upon the acquisition of business combinations is recognized as a non-current asset. Goodwill is carried at cost less accumulated impairment losses. The Company assesses whether there has been an impairment in the carrying amount of goodwill at least annually or whenever an indicator of impairment exists. Impairment losses on goodwill are not reversed.

n) Leases

The Company leases office premises and certain equipment. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of loss and comprehensive loss.

o) New standards, amendments and interpretation

(i) Effective for annual periods beginning on or after January 1, 2018:

- New standard, IFRS 15, Revenue from contracts with customers

  IFRS 15 Revenue from Contracts with Customers ("IFRS 15") replaces International Account Standard ("IAS") 18 Revenue, IAS 11 Construction Contracts, and related interpretations. IFRS 15 provides a single, principles-based five-step model to be applied to all contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive when control is transferred to the purchaser. Disclosure requirements have also been expanded. The standard is required to be adopted either retrospectively or using a modified retrospective approach for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. This standard will not have a material impact on the Company.

- New standard, IFRS 9, Financial instruments

  In July 2014, the IASB completed the final elements of IFRS 9 Financial Instruments ("IFRS 9"). The standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The approach is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. For financial liabilities, IFRS 9 retains most of the requirements of IAS 39; however, when a financial liability is measured at fair value, any change in fair value resulting from an entity's own credit risk is recorded in other comprehensive income rather than consolidated statement of loss. IFRS 9 introduces a new expected credit loss model for calculating impairment of financial assets, replacing the incurred loss impairment model required by IAS 39. IFRS 9 contains a voluntary model to be applied for hedge accounting. The Company does not currently apply hedge accounting and does not intend to apply hedge accounting for the foreseeable future. The standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

The Company has determined that the adoption of IFRS 9 will result in changes to the classification of the Company's financial assets but will not change the classification of the Company's financial liabilities. The Company does not expect there to be any material changes in the carrying values of the Company's financial instruments as a result of the adoption of IFRS 9. The Company has determined that the expected credit loss provisions required under IFRS 9 will be immaterial as at Jan 1, 2018.

IFRS 9 is required to be adopted either retrospectively or using a modified retrospective approach. The Company will use a modified retrospective approach.

(ii) Effective for annual periods beginning on or after January 1, 2019:

- New standard, IFRS 16, Leases

IFRS 16 will result in almost all leases being recognized on the consolidated statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Company has reviewed its leasing arrangements in light of the new accounting standard for leases and has determined that the new standard will affect the accounting for its operating leases.

As at December 31, 2018, the Company has non-cancellable operating lease commitments of $5,3366,035 (see note 19), for which the Company will recognize right-of-use assets and lease liabilities at January 1, 2019. Overall net assets at January 1, 2019 will not change; however, net current assets will be lower due to the presentation of a portion of the liability as a current liability. The new lease standard will have the following impact on the Company's income statement: (1) rent expense will be replaced with amortization expense related to the right-of-use assets and (2) interest expense will be recognized on the lease liabilities. Operating cash flows will increase and financing cash flows decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Company will apply the standard from its mandatory adoption date of 1 January 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are additional new and amended accounting standards that have not been described herein as they are not expected to have a material impact on the Company.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning its financial future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment testing of goodwill

The Company tests at least annually whether goodwill has suffered any impairment, in accordance with the requirements of IAS 36 Impairment of Assets. The recoverable amounts of cash-generating units ("CGUs") are determined based on the greater of their fair value less costs of disposal and value in use. These calculations require the use of estimates.

For the purposes of impairment testing, assets are grouped into CGUs that have been identified as being the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows of other assets or groups of assets. The determination of these CGUs is based on management's judgement in regards to shared infrastructure, geographical proximity, product type and other relevant factors.

Value in use calculations requires assumptions about revenue growth rates, operating margins, and discount rates. In arriving at its forecasts, the Company considered past experience, economic trends and inflation as well as industry and market trends.

Recognition of contingent consideration

In certain acquisitions, the Company may include contingent consideration which is subject to the acquired business achieving certain performance targets. At the date of acquisition and at each subsequent reporting period, the Company estimates the future performance of acquired businesses, which are subject to contingent consideration, in order to assess the probability that the acquired business will achieve its performance targets and thus earn its contingent consideration. Any changes in the fair value of the contingent consideration classified as a liability between reporting periods are included in the determination of net income/loss. Changes in fair value arise as a result of various factors, including the estimated probability of the acquired business achieving its earnings targets.

Valuation of deferred tax assets

In assessing the realization of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent on the generation of future taxable profits during the period in which those temporary losses and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

(Expressed in Canadian Dollars)

Business combinations

On the completion of business acquisitions, management's judgment is required to estimate the purchase price and to identify and to fair value all assets and liabilities acquired. The determination of the fair value of assets and liabilities acquired is based on management's estimates and certain assumptions generally included in a present value calculation of the related cash flows.

5. Revenue

The following table shows the details of revenues from continuing operations for the 14 months ended December 31, 2018 and 12 months ended October 31, 2017:

	For the fourteen months ended December 31, 2018		For the twelve months ended October 31, 2018	
	$		**$**	
Insured services	**9,492,721**	90%	-	-
Non-Insured services	**1,067,079**	10%	-	-
Total Revenues	**10,559,800**	100%	-	-

6. General and administrative expenses

The following table shows the details of general and administrative expenses related to continuing operations for the 14 months ended December 31, 2018 and 12 months ended October 31, 2017:

	For the fourteen months ended December 31, 2018	For the twelve months ended October 31, 2017
	$	$
Wages and benefits	**2,118,733**	-
Professional and consulting fees	**1,218,379**	397,208
Rent	**534,668**	11,990
Amortization	**21,987**	-
Other	**898,956**	194,193
	4,792,723	603,391

7. Accounts and other receivables

The following table shows the details of the Company's accounts and other receivables at December 31, 2018 and October 31, 2017:

(Expressed in Canadian Dollars)

	December 31, 2018	October 31, 2017
	$	$
Accounts receivable	**1,037,487**	26,737
Working capital adjustment recoverable (Note 17)	**25,501**	-
GST recoverable	**60,401**	-
Other	**7,000**	22,000
Accounts and other receivables	**1,130,389**	48,737

8. Available-for-sale financial assets

On November 2, 2018, the Company invested $264,860 (US$200,000) into the common shares of Circle Medical Technologies Inc. ("Circle Medical"), a Silicon Valley based digital health company. This investment has been recognized as an available-for-sale financial asset and, accordingly, it is measured at fair value. Because Circle Medical is a private company, the fair value of shares is not readily determinable and the fair value measurement of the asset has been categorized within Level 3 of the fair value hierarchy – see note 18(b).

9. Property and equipment

	Computer Equipment	Furniture and Fixtures	Medical Equipment	Leasehold Improvements	**Total**
Cost					
Balance at October 31, 2017	-	-	-	-	**-**
Additions	81,010	44,135	9,428	17,010	**151,583**
Balance at December 31, 2018	81,010	44,135	9,428	17,010	**151,583**
Accumulated Amortization					
Balance at October 31, 2017	-	-	-	-	**-**
Amortization for the period	13,502	4,413	943	3,129	**21,987**
Balance at December 31, 2018	13,502	4,413	943	3,129	**21,987**
Net Carrying Amounts					
As at October 31, 2017	-	-	-	-	**-**
As at December 31, 2018	67,508	39,722	8,485	13,881	**129,596**

10. Other current liabilities

The Company's balance of other current liabilities at December 31, 2018 relates to employee benefits payable. The Company's balance of other current liabilities at October 31, 2017 is attributable to deferred revenue related to the Company's discontinued operations.

11. Deferred Acquisition Costs

Deferred acquisition costs are certain time-based earn-out payments that are treated as purchase consideration for business combinations (see notes 16 and 17). The following table summarizes changes in deferred acquisitions costs during the 14 months ended December 31, 2018:

(Expressed in Canadian Dollars)

	December 31, 2018
	$
Balance at October 31, 2017	-
Acquisition of initial 6 clinics (Note 16)	606,396
Acquisition of 13 clinics (Note 17)	220,242
Amortization of discount	26,351
Payments	(166,376)
Balance at December 31, 2018	**686,613**
Current portion of deferred acquisition costs	303,618
Non-current portion of deferred acquisition costs	382,995
Balance at December 31, 2018	**686,613**

12. Income tax

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:

	For the fourteen months ended	For the twelve months ended
	December 31, 2018	October 31, 2017
	$	$
Loss from continuing operations before income tax	**(2,595,448)**	(620,691)
Loss from discontinued operations before income tax	**(214,439)**	(4,945,668)
Loss before income tax	**(2,809,887)**	(5,566,359)
Canadian statutory income tax rate	**27%**	26%
Expected income tax recovery on loss before tax	**(758,669)**	(1,447,253)
Tax effect of items not deductible for income tax purposes	**232,523**	1,191,034
Change in valuation allowance for deferred tax asset	**620,462**	256,219
Other	**10,371**	-
	104,687	-
Current income tax recovery	**(104,687)**	-
Deferred income tax	**-**	-
Income tax	**-**	-

As at December 31, 2018, the Company has unrecognized deferred tax assets related to its operations. These deferred tax assets have not been recognized in the consolidated statements of financial position because of the significant uncertainty regarding whether such benefits will be realized. The following table summarizes these items at December 31, 2018 and October 31, 2017:

(Expressed in Canadian Dollars)

	December 31, 2018	October 31, 2017
	$	$
Non-capital loss-carry forwards	**1,029,865**	498,318
Deductible temporary differences	**132,452**	-
Other	**-**	49,679
	1,162,317	547,997

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

	$
2030	1,690
2031	20,551
2032	135,141
2033	65,810
2034	69,706
2035	574,540
2036	905,789
2037	1,738,335
2038	302,751
Total	**3,814,313**

Included in other current asset at December 31, 2018 is $104,687 of income tax installments made by the Company during the 14 months ended December 31, 2018.

13. Share Capital

a) Authorized

Unlimited common shares without par value

b) Issued Common Shares

As at December 31, 2018, the issued share capital comprises 82,545,563 (October 31, 2017 – 41,014,375) common shares.

c) Private Placements

May 2018

In May 2018, the Company completed non-brokered private placements of 15,877,939 common shares at a price of $0.33 per common share for gross proceeds of $5,239,720 and 6,291,639 common shares at a price of $0.37 per share for gross proceeds of $2,327,906. In total, 22,169,578 common shares were issued for combined gross proceeds of $7,567,626. The Company incurred $107,204 of share issuance costs related to these private placements.

February 2018

In February 2018, the Company completed a brokered private placement of 15,000,000 common shares at a price of $0.30 per common share for gross proceeds of $4,500,000. In connection with the private placement, agents were paid cash commissions of $360,000 and issued 583,333 common shares and 1,200,000 agent's warrants. Each agent's warrant is exercisable into one additional common share at an exercise price of $0.30 until February 9, 2021. The Company incurred $483,589 in share issuance costs (excluding the fair value of agent warrants granted) related to this private placement. The agent's warrants have a fair value equal to $313,061 (see note 13(g)(ii) for further information on the fair value calculation). The value of the Agent's Warrants was recorded as a share issuance cost and as a credit to contributed surplus.

June 2017

In June 2017, the Company completed a private placement of 8,524,666 units at a price of $0.15 per unit for gross proceeds of $1,278,700. Each unit consisted of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.25 until June 13, 2019. The Company incurred $96,092 in share issuance costs (excluding the fair value of agent warrants granted) related to this private placement. The Company issued 542,989 agent warrants in connection with the private placement. The agent warrants have a fair value of $37,200 (see note 13(g)(ii) for further information on the fair value calculation). Each warrant is exercisable into one common share of the Company at an exercise price of $0.15 per share, exercisable for a period of 24 months from the date of issuance.

May 2017

In May 2017, the Company completed a non-brokered bridge financing and raised $150,000 by the issuance of 1,000,000 units at $0.15 per unit, with each unit being comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable into one additional common share of the Company at $0.25 per share until May 15, 2019, subject to acceleration. The Company incurred $nil in share issuance costs related to this financing.

d) Shares issued for services

During the 14 months ended December 31, 2018, the Company issued 373,333 common shares as settlement of $83,500 owed to a vendor for services. During the 12 months ended October 31, 2017, the Company issued 240,000 common shares as settlement of $36,000 owed to a vendor for services.

e) Escrow

Pursuant to the escrow agreements ("Escrow Agreements"), various common shares are being held in escrow ("Escrow Shares") in accordance with the policies of the TSX Venture Exchange. Under the terms of the Escrow Agreements, 10% of the Escrow Shares were released from escrow on the date of issuance of the Final Exchange Bulletin related to the Company's qualifying transaction as a capital pool company. The remaining Escrow Shares are being released in six equal tranches on each 6-month anniversary after that date.

(Expressed in Canadian Dollars)

As at December 31, 2018, the Company had a total of 830,500 common shares (October 31, 2017 – 2,491,500) held in escrow. Subsequent to December 31, 2018, all of these shares were released in March 2019.

f) Options to purchase common shares

The Company has a stock option plan (the "Plan") which authorizes the Board of Directors to grant incentive stock options to directors, officers, employees and consultants. The maximum number of shares in respect of which options may be outstanding under the Plan at any given time is equivalent to 10% of the issued and outstanding shares of the Company at that time. Options are exercisable for a maximum of 10 years from the date of grant. The vesting provisions, term, exercise price and other terms and conditions of grants of options are made at the discretion of the Board.

(i) Movement in share options

The changes in share options during the 14 months ended December 31, 2018 and 12 months ended October 31, 2017 were as follows:

	December 31, 2018		October 31, 2017	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Balance outstanding, beginning of year	**407,774**	**0.25**	400,000	0.15
Options granted	**4,975,000**	**0.45**	407,774	0.25
Expired/Cancelled	**(17,188)**	**0.39**	(400,000)	0.15
Balance outstanding, end of period	**5,365,586**	**0.43**	407,774	0.25

During the 14 months ended December 31, 2018, the Company recognized $905,515 of stock-based compensation expense through the consolidated statements of loss. During the 12 months ended October 31, 2017, the Company recognized $17,300 of stock-based compensation expense through the consolidated statement of loss.

Subsequent to December 31, 2018, 765,000 – options were granted, 250,000 options were exercised and 750,000 options expired.

(ii) Fair value of share options granted

On May 25, 2018, the Company granted 2,525,000 of options with an exercise price of $0.50. These options vest as follows:

- 600,000 options: 25% on the date of grant and 75% over a three-year period from the date of grant in equal quarterly amounts of 6.25%, commencing three months after the date of grant.

(Expressed in Canadian Dollars)

- 1,925,000 options: 25% on the first anniversary of the date of grant; and 75% over a three-year period from the first anniversary of the date of grant in 12 equal quarterly amounts of 6.25%, commencing three months after the first year anniversary of the Date of Grant.

On December 15, 2017, the Company granted 2,450,000 options with an exercise price $0.39. These options vest as follows:
- 1,025,000 options: 25% on the date of grant and 75% over a three-year period from the date of grant in equal quarterly amounts of 6.25%, commencing three months after the grant date.
- 1,425,000 options: vest over a four-year period from the date of grant in equal quarterly amounts of 6.25%, commencing three months after the date of grant.

On June 15, 2017, the Company granted 407,744 options exercisable at a price of $0.25. The options vest as follows: 25% on the date of grant, 25% of the first anniversary of the date of grant, 25% on the second anniversary of the date of grant and 25% on the third anniversary of the date of grant.

The fair value of each option granted was estimated at the time of grant using the Black-Scholes option pricing model with the following significant inputs:

	May 25, 2018	**December 15, 2017**	June 15, 2017
Exercise price	**$0.50**	**$0.39**	$0.25
Share price	**$0.50**	**$0.39**	$0.15
Risk-free interest rate	**2.19%**	**1.66%**	0.90%
Expected term	**5 years**	**5 years**	5 years
Volatility	**100%**	**174%**	100%
Expected dividend	**None**	**None**	None
Grant date fair value	**$0.40**	**$0.37**	$0.10

In estimating expected volatility, the Company considers the historical share price volatility of its common shares as well the historical share price of similar publicly listed entities.

(iii) Share options outstanding at the end of the period

The following table summarizes information concerning outstanding and exercisable options of the Company at December 31, 2018:

Options outstanding	**Options exercisable**	**Exercise price $**	**Weighted average remaining contractual life (years)**
407,774	203,887	0.25	3.46
2,432,812	868,750	0.39	3.96
2,525,000	225,000	0.50	4.40
5,365,586	**1,297,637**		**4.13**

(Expressed in Canadian Dollars)

The weighted average exercise price of options exercisable at December 31, 2018 is $0.39.

g) Agent's Warrants

(i) Movement in agent's warrants

The changes in agent's warrants during the 14 months ended December 31, 2018 and 12 months ended October 31, 2017 were as follows:

	December 31, 2018		October 31, 2017	
	Number of agent's warrants	**Weighted average exercise price $**	Number of agent's warrants	Weighted average exercise price $
Balance outstanding, beginning of period	**730,444**	**0.15**	187,455	0.15
Agent's warrants issued	**1,200,000**	**0.30**	542,989	0.15
Agent's warrants exercised	**(499,486)**	**0.18**	-	-
Balance outstanding, end of period	**1,430,958**	**0.27**	730,444	0.15

(ii) Fair value of agent's warrants issued

The fair value of each agent's warrants granted was estimated at the time of grant using the Black-Scholes option pricing model with the following significant inputs:

	February 9, 2018	June 15, 2017
Exercise price	**$0.30**	$0.15
Share price	**$0.39**	$0.15
Risk-free interest rate	**1.11%**	0.90%
Expected term	**3 years**	2 years
Volatility	**100%**	100%
Expected dividend	**None**	None
Grant date fair value	**$0.26**	$0.07

In estimating expected volatility, the Company considers the historical share price volatility of its common shares as well the historical share price of similar publicly listed entities.

(iii) Agent's warrants outstanding at the end of the period

The following table summarizes information concerning outstanding agent's warrants at December 31, 2018, all of which are exercisable at December 31, 2018:

(Expressed in Canadian Dollars)

Agent's warrants outstanding	Exercise price $	Weighted average remaining contractual life (years)
325,605	0.15	0.45
1,105,353	0.30	2.11
1,430,958	**0.27**	**1.73**

h) Shareholders' Warrants

(i) Movement in shareholders' warrants

The changes in shareholders' warrants during the 14months ended December 31, 2018 and 12 months ended October 31, 2017 were as follows:

	December 31, 2018		October 31, 2017	
	Number of agent's warrants	**Weighted average exercise price $**	Number of agent's warrants	Weighted average exercise price $
Balance outstanding, beginning of period	**5,039,905**	**0.26**	-	-
Shareholders' warrants issued	**-**	**-**	5,039,905	0.26
Shareholders' warrants exercised	**(1,266,832)**	**0.25**	-	-
Balance outstanding, end of period	**3,773,073**	**0.26**	5,039,905	0.26

(ii) Shareholders' warrants outstanding at the end of the period

The following table summarizes information concerning outstanding shareholders' warrants at December 31, 2018, all of which are exercisable at December 31, 2018:

Shareholders' warrants outstanding	Exercise price $	Weighted average remaining contractual life (years)
3,495,499	0.25	0.44
277,574	0.36	0.28
3,773,073	**0.26**	**0.43**

(Expressed in Canadian Dollars)

14. Related Party Transactions

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's Board of Directors and members of the executive team. The remuneration of these individuals during the 14 months ended December 31, 2018 and 12 months ended October 31, 2017 was as follows:

	For the fourteen months ended December 31, 2018	For the twelve months ended October 31, 2017
	$	$
Wages	**268,000**	-
Consulting fees	**241,000**	284,000
Stock-based compensation expense(1)	**824,000**	-
	1,333,000	284,000

Note:

(1) Reflects the amount recorded as an expense in the consolidated statements of loss. The fair value of stock-based compensation is measured at grant date using an option pricing model, and is recognized as an expense over the vesting period.

Effective April 3, 2018, Hamed Shahbazi was appointed Chairman of the Board of Directors of the Company. Effective May 23, 2018, Mr. Shahbazi was appointed the role of Chief Executive Officer of the Company. During the 14 months ended December 31, 2018, Mr. Shahbazi was granted stock options but did not receive a salary or any other type of compensation for his services as Chairman and CEO of the Company.

During the 14 months ended December 31, 2018, 4,825,000 options were granted to members of key management personnel. No options were granted to key management personnel during the 12 months ended October 31, 2017.

As at December 31, 2018, a total of $nil (October 31, 2017 - $412,257) in loans payable are due to a member of key management.

15. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure which optimizes the costs of capital under acceptable risks. In the management of capital, the Company includes the components of shareholders' equity and short-term liabilities, as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may attempt to: issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments. The Company is not subject to any externally imposed capital requirements. The Company does not pay out dividends.

(Expressed in Canadian Dollars)

16. Acquisition of Initial Six Clinics on February 9, 2018

In February 2018, the Company completed the acquisition of all the issued and outstanding shares of a group of companies that own and operate six healthcare clinics in British Columbia. In consideration for the acquisition, the Company paid $2,920,377 in cash to the vendors (after a post-closing working capital adjustment paid by the Company of $58,848), and agreed to pay an additional time-based earn-out of $665,472 payable over three years in quarterly installments. Additionally, the Company agreed to pay the vendors a performance payment (contingent consideration) of up to a maximum of $332,736, payable only subject to profitability targets associated with the acquired businesses.

The purchase price of the acquisition was determined to be $3,526,773 (based on the cash paid at closing, the post-closing working capital adjustment, the fair value of the earn-out payments and the fair value of the contingent consideration). In determining the fair value of the time-based earn-out payments, the future payments due to be paid beyond one year from the acquisition date were discounted using a discount rate of 7%. In estimating the discount rate, the Company relied on the yield to maturity of high-risk debt. The fair value of the contingent consideration was determined to be $nil at the acquisition date, as well as at December 31, 2018, due to the significant uncertainty in the Company meeting the performance targets.

The fair value of the net assets acquired is estimated to as follows:

	Total $
Cash at closing, net of working capital adjustment	2,920,377
Present value of time-based earn-out payments	606,396
Fair value of contingent consideration	-
Fair value of purchase consideration	3,526,773
Allocation of purchase price:	
Cash	17,181
Accounts receivable	592,824
Other current assets	43,632
Accounts payable	(546,881)
Goodwill	3,420,017
	3,526,773

The time-based earn-out payments have been classified as a financial liability carried at amortized cost. Accordingly, the liability was initially measured at fair value and is subsequently being measured at amortized cost using the effective interest method, with interest expense being recognized on an effective interest basis. During the 14 months ended December 31, 2018, the Company made $166,376 of time-based earn-out payments – see note 11.

(Expressed in Canadian Dollars)

Due to the limitations of historical financial information available for the acquired clinics, the Company has not disclosed what revenue and profit would be had the acquisition occurred on November 1, 2017.

17. Acquisition of 13 additional clinics on November 1, 2018

In November 2018, the Company completed the acquisition of all the issued and outstanding shares of a group of companies that own and operate 13 primary healthcare clinics in British Columbia.

The purchase price of the acquisition was determined to be $5,002,047 (based on cash paid at closing, the post-closing working capital adjustment, shares issued at closing and the fair value of the portion of the time-based earn-out payments considered to be acquisition costs). This was comprised of (i) cash of $4,044,423 paid to the vendor (net of a post-closing working capital adjustment recoverable by the Company of $177,397), (ii) 1,638,626 common shares of the Company issued to the vendor at a price of $0.45 per share (total value of the shares was $737,382) and (iii) $245,382 of time-based earn-out considered to be acquisition costs.

In determining the fair value on the time-based earn-out considered to be acquisition cost, the future payments due to be paid beyond one year from the acquisition date were discounted using a discount rate of 7%. In estimating the discount rate, the Company relied on the yield to maturity of high-risk debt.

In addition to the $245,382 of time-based earn-out considered to be acquisition cost, the Company agreed to an additional $1,147,460 of the time-based earn-out that is being recognized as an expense as incurred as it is contingent on the vendors continuing to be engaged in the clinics.

Of the $177,397 of working capital adjustment recoverable by the Company, (1) $151,896 was recognized as restricted cash at December 31, 2018 as it was held in escrow on behalf of the Company and (2) $25,501 was included in accounts and other receivables at December 31, 2018 as it was receivable from the vendors.

In accordance with the measurement period permitted under IFRS 3 Business Combinations, the fair value of the assets acquired and liabilities assumed have been determined on a provisional basis. The Company is in the process of determining the fair values of the assets and liabilities acquired and identifying any other intangible assets that exist at the date of acquisition. The fair value of the net assets acquired is provisionally estimated to be as follows:

	Total $
Cash at closing, net of working capital adjustment	4,044,423
Shares issued at closing	737,382
Present value of time-based earn-out payments	220,242
Fair value of purchase consideration	5,002,047

(Expressed in Canadian Dollars)

Allocation of purchase price:	
Cash	24,435
Accounts receivable	763,416
Other current assets	14,285
Other non-current assets	126,023
Accounts payable	(797,305)
Other current liabilities	(117,337)
Other non-current liabilities	(51,264)
Goodwill	5,039,794
	5,002,047

The time-based earn-out payments considered to be acquisition costs have been classified as a financial liability carried at amortized cost. Accordingly, the liability was initially measured at fair value and is subsequently being measured at amortized cost using the effective interest method, with interest expense being recognized on an effective interest basis.

Due to the limitations of historical financial information available for the acquired clinics, the Company has not disclosed what revenue and profit would be had the acquisition occurred on November 1, 2017.

18. Financial Instruments

a. Classification of financial instruments

The following table summarizes the Company's financial instruments and their carrying amounts:

	December 31, 2018 $	October 31, 2017 $
Financial assets		
Loans and receivables		
Cash and cash equivalents	**2,334,208**	266,474
Restricted cash	**151,896**	-
Accounts and other receivables	**1,130,389**	48,737
Other non-current assets	**178,717**	-
	3,795,210	315,211
Available-for-sale financial asset		
Investment in Circle Medical	**264,860**	-
Financial liabilities		
FVTPL financial liabilities		
Contingent consideration based on performance	**-**	75,266
Other financial liabilities		
Accounts payable and accrued liabilities	**1,701,244**	274,409
Deferred acquisition costs	**686,613**	-
Loans	**-**	702,002
Other non-current liabilities	**54,581**	-
	2,442,438	976,411

b. Fair value measurements

The fair value hierarchy establishes three levels to reflect the significance of the inputs used in making the measurements:

Level 1 – quoted prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either direct (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any fair value measurements categorized within level 1 or 2 of the fair value hierarchy.

The carrying value of the Company's financial instruments approximate their fair value.

The investment in Circle Medical, which is classified as an AFS financial asset, is measured at fair value. The fair value measurements of the investment are categorized within Level 3 of the fair value hierarchy. As at December 31, 2018, management concluded that the fair value of the investment approximated the cost, given that there was less than 60 days elapsed between acquisition of the investment and the Company's year-end. See note 8 for further information.

The contingent consideration, which is classified as FVTPL financial liability, is measured at fair value on a recurring basis. The fair value measurements are categorized within Level 3 of the fair value hierarchy. See note 1 and 20 for further information.

The Company is responsible for performing the valuation of fair value measurements included in the annual consolidated financial statements, including Level 3 fair values. The valuation processes and results for recurring measurements are reviewed and approved by the Controller and the Chief Financial Officer at least once every quarter, in line with the Company's quarterly reporting dates.

c. Risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligation. Credit risk arises from the Company's financial assets. The carrying value of the financial assets represents the maximum exposure to credit risk. The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of performance. The majority of the Company's revenue from clinic operations is from billings for insured services paid for by the government.

As at December 31, 2018, the Company had $1,037,487 of accounts receivable – see note 7.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. To date, the Company had relied on equity to fund its operations and acquisitions and will need to continue to secure additional funding for operations (Note 1).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and no interest-bearing debt and therefore the Company’s interest rate risk arises primarily from the interest received on cash. The Company’s interest rate risk is considered to be low.

Foreign currency risk

The Company's functional currency is the Canadian dollar and majority if of its transactions are in Canadian dollars. The Company’s exposure to foreign currency risk is low.

19. Leases

Operating Lease Commitments

The Company leases various office and clinic spaces. The future minimum leases payments payable under these operating leases at December 31, 2018 are as follows:

	$
Not later than one year	1,270,357
Later than one year and not later than five years	3,685,031
Later than five years	410,647
Total	5,366,035

Effective October 1, 2018, the Company moved its head office to Suite 200-322 Water St, Vancouver, BC, V6B 1B6. The above table includes future minimum lease payments payable under the lease for the new head office space.

Sub-lease Payments

Future minimum lease payments expected to be received by the Company from sub-leases of operating leases totaled $1,159,000 at December 31, 2018.

Lease deposits

The Company has $178,717 of lease deposits recoverable from landlords at December 31, 2018, all of which has been included in other non-current assets.

The Company has received $54,581 of lease deposits payable to subtenants at December 31, 2018, all of which has been included in other non-current liabilities.

(Expressed in Canadian Dollars)

20. Discontinued operations

(a) Discontinued operations

The composition of discontinued operations is as follows:

- Canada Yoga Inc. ("CYI")
- Shakti Yoga Apparel LLC ("Shakti")

During the three months ended April 30, 2018, the Company disposed of the operations of CYI. The purchaser acquired certain customer lists, books and records for $1.

During the three months ended July 31, 2018, the Company disposed of the operations of Shakti. The purchaser acquired certain customer lists, books and records, inventory, domain names and websites for $1.

During the 14 months ended December 31, 2018, the Company settled all current and non-current loans outstanding at October 31, 2017. The loans related to the Company's discontinued operations.

As at October 31, 2017, the above businesses were not identified as discontinued operations or as assets held for sale. Accordingly, in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the comparative consolidated statements of loss and comprehensive loss were restated to present loss from discontinued operations as a single amount, separate from continuing operations.

The results from discontinued operations are as follows:

	For the fourteen months ended December 31, 2018			For the twelve months ended October 31, 2017		
	CYI	**Shakti**	**Total**	CYI	Shakti	Total
	$	**$**	**$**	$	$	$
Revenues	**90,047**	**171,827**	**261,874**	75,075	339,781	414,856
Cost of goods sold	**(39,186)**	**(83,612)**	**(122,798)**	(61,902)	(224,651)	(286,553)
Expenses	**(96,307)**	**(204,345)**	**(300,652)**	(131,734)	(306,561)	(438,295)
Net loss from operating activities	**(45,446)**	**(116,130)**	**(161,576)**	(118,561)	(191,431)	(309,992)
Impairment of goodwill	**-**	**-**	**-**	(4,074,215)	(710,127)	(4,784,342)
Change in contingent consideration	**-**	**-**	**-**	-	148,666	148,666
Gain (loss) on disposal of discontinued operations	**35,166**	**(88,029)**	**(52,863)**	-	-	-
Net loss from discontinued operations	**(10,280)**	**(204,159)**	**(214,439)**	(4,192,776)	(752,892)	(4,945,668)

(Expressed in Canadian Dollars)

The net change in cash flows related to discontinued operations is as follows:

	For the fourteen months ended December 31, 2018			For the twelve months ended October 31, 2017		
	CYI	**Shakti**	**Total**	CYI	Shakti	Total
	$	**$**	**$**	$	$	$
Cash flows related to operating activities	**(94,491)**	**(229,075)**	**(323,566)**	(92,117)	(148,735)	(240,852)
Cash flows related to investing activities	**-**	**(78,266)**	**(78,266)**	10,744	-	10,744
Cash flows related to financing activities	**(655,923)**	**(46,079)**	**(702,002)**	(214,226)	(15,403)	(229,629)
Net cash flows related to discontinued operations	**(750,414)**	**(353,420)**	**(1,103,834)**	(295,599)	(164,138)	(459,737)

(b) Acquisition of Canada Yoga Inc.

On June 15, 2017, the Company completed an amalgamation agreement dated March 8, 2017 and amended on May 9, 2017 (the "Agreement") with CYI whereby the Company acquired all of the issued and outstanding securities of CYI. Pursuant to the Agreement, the holders of the CYI securities were issued an aggregate of 18,649,993 common shares in the capital of the Company at a price of $0.15 per share and an aggregate of 277,574 warrants of the Company (each, an "Exchange Warrant"), with each Exchange Warrant being exercisable into one common share of the Company at an exercise price of $0.36 until April 11, 2019. Pursuant to the Agreement, 1,220,233 common shares of the Company held by CYI prior to the amalgamation were returned to the Company and cancelled. In addition, 1,000,000 common shares of the Company were issued to L.R. Yoga Studio Inc. ("LR") pursuant to the terms of an agreement between LR and CYI with respect to the purchase by CYI of its yoga studio located in North Vancouver, B.C., and a total of 600,000 common shares were issued as finder's fees.

	Total $
Purchase price in shares	2,797,500
Fair value of purchase consideration	2,797,500
Allocation of purchase price:	
Cash	10,744
Other liabilities	(9,623)
Accounts payable	(327,493)
Deferred revenue	(80,194)
Loans	(870,149)
Goodwill	4,074,215
	2,797,500

The fair value of the net assets acquired was estimated to be consistent with their carrying value. The goodwill recognized in connection with the acquisition was primarily attributable to the application of the Company's best practices to improve the operations of the companies acquired.

(Expressed in Canadian Dollars)

Subsequent to the year ended October 31, 2017, the Company announced plans to wind down CYI operations. The Company wrote down $4,074,215 of goodwill associated with CYI operations at October 31, 2017.

(c) Acquisition of Shakti Yoga Apparel LLC

On March 24, 2016, the Company acquired 100% of the issued and outstanding shares of Shakti, a privately held company incorporated under the laws of Delaware for total consideration of $847,044, as follows:

	Total $
Purchase price in shares	300,000
Purchase price in cash	334,992
Fair value of contingent consideration	212,052
Fair value of purchase consideration	847,044
Allocation of purchase price:	
Cash	19,499
Inventory	115,650
Other assets	6,419
Accounts payable	(4,651)
Goodwill	710,127
	847,044

The fair value of the net assets acquired was estimated to be consistent with their carrying value. The goodwill recognized in connection with the acquisition was primarily attributable to the application of the Company's best practices to improve the operations of the companies acquired.

The estimated fair value of the contingent consideration liability recognized on the acquisition date was calculated using the weighted probability of the expected contingent consideration to be paid and inclusion of a discount rate (8%-12%) as appropriate. Changes in the contingent consideration during the 14 months ended December 31, 2018 and 12 months ended October 31, 2017 were as follows:

	$
Balance at October 31, 2016	223,932
Change due to actual results and other movements	(148,666)
Balance at October 31, 2017	75,266
Settlement of liability	(75,909)
Foreign exchange	643
Balance at December 31, 2018	-

Subsequent to the year ended October 31, 2017, the Company announced plans to wind down Shakti operations. The Company wrote down $710,127 of goodwill associated with Shakti operations at October 31, 2017.

During the three months ended July 31, 2018, the Company disposed of the operations of Shakti and settled the contingent consideration liability. The Company will not owe any further amounts for contingent consideration for Shakti due to the disposal.

21. Events After the Reporting Period

Acquisition of NerdEMR

On January 1, 2019, the Company acquired all of the issued and outstanding shares of Northwest Electronics Records and Design ("NerdEMR"). NerdEMR provides Open Source Clinical Application and Resources ("OSCAR") electronic medical records ("EMR") services to approximately 220 clinics, most of which are located in the province of British Columbia. NerdEMR's system supports approximately 2,000 registered practitioners, 1,700 staff and 4.85 million registered patients.

As part of the transaction, the Company also acquired Butterfly Medical Ltd. ("Butterfly"), which has subsequently been dissolved.

Consideration for the acquisition of NerdEMR and Butterfly consisted of:
(i) a cash payment upon closing of the transaction of $1,275,000 (7.5% of which was subject to a holdback to be released after 3 months);
(ii) the issuance of 1,275,000 common shares of the Company at a deemed price of $0.50 per share; and
(iii) a time-based earn-out of $637,500 payable quarterly over three years.

All shares issued in the transaction are subject to a restricted period of four months and one day. There were no finder's fees paid in connection with the transaction.

Restricted Share Unit ("RSU"), Performance Share Unit ("PSU") and Stock Option Grants

Subsequent to December 31, 2018, the Company granted an aggregate of 2,776,000 RSUs to certain key employees, consultants, officers and a director of the Company pursuant to the Company's Long-Term Performance Incentive Plan (the "LTIP"). Each RSU represents the right to receive, once vested, one common share in the capital of the Company. The RSU's vest between April 2019 and June 2022.

The Company also granted an aggregate of 450,000 PSUs to consultants pursuant to the LTIP. Each PSU represents the right to receive, once vested and performance criteria are met, one common share in the capital of the Company. The PSUs vest in quarterly amounts of 8.33% per quarter from January 22, 2019 for three years.

The Company also granted 765,000 stock options to certain employees and consultants and an officer pursuant to its Stock Option Plan at an exercise price of $0.43 per common share. Each option granted to the optionee is exercisable for a period of five years. Other than 300,000 stock options which vest on the date of grant, the stock options vest as follows: (a) 25% one year following the date of grant, and (b) 75% vest over a three-year period in equal quarterly amounts of 6.25% per quarter.

Securities issued to directors and officers of the Company will be subject to an Exchange Hold Period (as defined by the policies of the TSX Venture Exchange) of four months and one day following the original issuance of such securities.

Non-Brokered Private Placement

Subsequent to December 31, 2018, the Company completed a non-brokered private placement (the "Private Placement") in which the Company issued an aggregate of 5,929,350 shares (the "Shares") at a price of $0.46 per share and raised aggregate gross proceeds of $2.73 million. The Company issued 2.17 million Shares to a group of strategic investors led by Sir Li Ka-shing, including Horizons Ventures, for gross proceeds of $1.00 million. In addition, the Company issued 3,755,436 Shares to seven members of WELL's management team for gross proceeds of $1.73 million. All securities issued pursuant to the private placement are subject to a hold period under applicable Canadian securities laws expiring on July 8, 2019.