In the matter of the Receivership of

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., MEDNOW VIRTUAL CARE LTD. (collectively, "Mednow")

Frequently Asked Questions (FAQs)

Q: What is a Receivership?

A: A Receivership is a remedy available to secured creditors to recover amounts outstanding under a secured loan in the event the company defaults on its loan payments or breaches other loan covenants.

Q: Who is the Secured Creditor

A: Alirey Corp. ("**Alirey**") is the secured creditor of Mednow pursuant to guarantees and general security agreements.

Q: Who appointed EY as Receiver

A: Ernst & Young Inc. ("**EY**") was appointed as Receiver by way of an order (the "**Receivership Order**") of the Supreme Court of British Columbia (**the "Court**") upon petition of Alirey.

Q: Who is EY?

A: EY is an international professional services firm and a leading restructuring firm in Canada.

The senior representatives responsible for the administration of this matter have overseen numerous receivership proceedings in British Columbia and Canada, and with extensive real estate and health care experience.

Q: What are the powers of the Receiver?

A: The Receiver's powers are set out in the Receivership Order and in the *Bankruptcy and Insolvency Act* (Canada), and may include, but are not limited to:

- taking possession of and exercising control over the property of Mednow (the "**Property**");
- managing, operating, and carrying on the business of Mednow, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business including:

  - retention or hiring of licensed pharmacists;
  - operation of online pharmacies;
  - the sale and delivery of prescription medication and over the counter drugs,

  or cease to perform any contracts of Mednow;

- receiving and collecting all monies and accounts now owed or hereafter owing to Mednow and to exercise all remedies of Mednow in collecting these amounts;

- to borrow money as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed the amount authorized or approved by the Court; and

- marketing any or all of the Property for sale by way of a Court approved process, which ultimate purchase agreement will be subject to the approval of the Court.

The Receiver is an independent Court Officer and holds responsibility to all of stakeholders of Mednow, with the activities and undertakings of the Receiver reviewed and approved by the Court.

Q: What is the objective of the Receiver?

A: The Receiver will assume operational control of Mednow and will carry-on the operations of Mednow.

The Receiver will soon commence a Court approved sale and investment solicitation process (a "**SISP**"), the purpose of which is to identify parties interested in purchasing the Property of Mednow. The Receiver understands that a group of interested stakeholders (including the former Chairperson of the Board and Chief Executive Officer of Mednow Inc.) intend to submit an offer to purchase the assets and undertakings of Mednow on an accelerated basis.

It is **"<u>business as usual" at Mednow</u>** while the Receiver works to identify a new operator for Mednow.

Q: What is the role of Alirey?

A: Alirey is the secured creditor to Mednow having provided loans totaling approximately $3.3 million as at or around November 3, 2023. As secured creditor, Alirey petitioned the Court to initiate these Receivership Proceedings.

Q: What is the impact to Mednow's employees?

A: It is business as usual at Mednow. Employees will be employed on the same terms and conditions as prior to the receivership.

Q: **I am a supplier, when will I get paid?**

A: Amounts owing to suppliers who are owed money as at the date of the Receivership Order (November 3, 2023) are frozen, or “stayed” and will not be paid at this time.

Mednow will continue to operate, and the Receiver will satisfy all liabilities that accrue on or after the date of the Receivership Order.

Payment for goods and services provided to the Receiver will be paid on normal credit terms, or as negotiated otherwise.

Q: **What is the impact to my Mednow shares?**

A: The value of the Mednow shares is not determinable at this time. The value of Mednow shares will be dependent upon any future purchase price obtained and the structure of the transaction for the sale of the Property. Factors that will not be known until the SISP is completed.

Q: **Who will fund the Receiver?**

A: The Receivership Order authorizes the Receiver to borrow the funding required to continue operations, meet its ongoing obligations and to administer the SISP.

Pursuant to the Order, the Receiver is authorized and empowered to borrow an amount that will not exceed $1M (or such other amount as the Court may by further Order authorize).

Any questions for the Receiver can be directed to Kaleb Dekker at (604) 648-6716 or at Kaleb.Dekker@parthenon.ey.com.