

**PONDEROUS PANDA CAPITAL CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

**For the nine months ended  
September 30, 2020**

**Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED  
INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of Ponderous Panda Capital Corp. (“the Company”) for the nine months ended September 30, 2020, have been prepared by the management of the Company and approved by the Company’s Audit Committee and the Company’s Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed interim financial statements by an entity’s auditor.

**PONDEROUS PANDA CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**(Unaudited – Prepared by Management)**  
**AS AT SEPTEMBER 30, 2020 AND DECEMBER 31, 2019**

	<b>September 30, 2020</b>	(Audited) December 31, 2019
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	451,525	498,083
Amounts receivable (Note 1)	75,000	-
<b>Total assets</b>	<b>526,525</b>	498,083
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	28,715	23,936
<b>Total liabilities</b>	<b>28,715</b>	23,936
<b>Shareholders' equity</b>		
Share capital (Note 4)	640,300	640,300
Reserves (Note 4)	96,000	96,000
Deficit	(238,490)	(262,153)
<b>Total shareholders' equity</b>	<b>497,810</b>	474,147
<b>Total liabilities and shareholders' equity</b>	<b>526,525</b>	498,083

Nature and continuance of operations (Note 1)

Approved on November 30, 2020 on behalf of the Board:

"David Smalley"

Director

"Larry K. Doan"

Director

**PONDEROUS PANDA CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**(Unaudited – Prepared by Management)**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 and 2019**

	<b>Three months ended September 30, 2020</b>	Three months ended September 30, 2019	<b>Nine months ended September 30, 2020</b>	Nine months ended September 30, 2019
	\$	\$	\$	\$
<b>Expenses</b>				
Filing fees	-	-	5,460	8,376
Professional fees (Note 5)	28,373	3,818	34,641	26,832
Regulatory fees	1,549	1,218	10,304	3,221
Rent	321	307	932	1,154
Loss before the following:	(30,243)	(5,343)	(51,337)	(39,583)
Break fee income (Note 1)	75,000	-	75,000	-
<b>Income (Loss) and comprehensive income (loss) for the period</b>	<b>44,757</b>	<b>(5,343)</b>	<b>23,663</b>	<b>(39,583)</b>
<b>Basic and diluted earnings (loss) per common share</b>	<b>\$ 0.02</b>	<b>\$ (0.00)</b>	<b>\$ 0.01</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>2,000,000</b>	<b>3,065,004</b>	<b>2,000,000</b>	<b>3,065,004</b>

The accompanying notes are an integral part of these condensed interim financial statements.

**PONDEROUS PANDA CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited – Prepared by Management)  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 and 2019**

	Number of Common Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$
Balance, December 31, 2018	3,065,004	640,300	96,000	(205,058)	531,242
(Loss) for the period	-	-	-	(39,583)	(39,583)
<b>Balance, September 30, 2019</b>	<b>3,065,004</b>	<b>640,300</b>	<b>96,000</b>	<b>(244,641)</b>	<b>491,659</b>
Balance December 31, 2019	3,065,004	640,300	96,000	(262,153)	474,147
Income for the period	-	-	-	23,663	23,663
<b>Balance, September 30, 2020</b>	<b>3,065,004</b>	<b>640,300</b>	<b>96,000</b>	<b>(238,490)</b>	<b>497,810</b>

The accompanying notes are an integral part of these condensed interim financial statements.

**PONDEROUS PANDA CAPITAL CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**(Unaudited – Prepared by Management)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 and 2019**

	<b>Nine Months ended September 30, 2020</b>	Nine Months ended September 30, 2019
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Income (Loss) for the period	23,663	(39,583)
Changes in non-cash working capital items:		
Amounts receivable	(75,000)	(5,040)
Prepaid expenses	-	102
Accounts payable and accrued liabilities	4,779	(5,792)
	<b>(46,558)</b>	<b>(50,313)</b>
<b>Change in cash during the period</b>	<b>(46,558)</b>	<b>(50,313)</b>
<b>Cash, beginning of period</b>	<b>498,083</b>	549,090
<b>Cash, end of period</b>	<b>451,525</b>	498,777
<b>Supplemental disclosure:</b>		
	\$	\$
Cash paid for interest	-	-
Cash paid for income taxes	-	-

The accompanying notes are an integral part of these condensed interim financial statements.

**PONDEROUS PANDA CAPITAL CORP.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 and 2019**  
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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Ponderous Panda Capital Corp. (the “Company”) was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on March 22, 2017. The Company completed an initial public offering (“IPO”) of its common shares on April 27, 2018, and on May 2, 2018, its common shares began trading on the TSX Venture Exchange (“TSX-V” or the “Exchange”), under the symbol “PPCC.P”. The Company is classified as a Capital Pool Company (“CPC”), as defined in the Exchange Policy 2.4. The Company’s head office and registered and records office address is Suite 480, 1500 West Georgia Street, Vancouver, British Columbia, Canada, V6G 2Z6.

The principal business of the Company is the identification and evaluation of material assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

These condensed interim financial statements (the “financial statements”) are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at September 30, 2020, the Company has an accumulated deficit of \$238,490.

The Company’s continuing operations are dependent upon its ability to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4, within 24 months of listing on the TSX-V. Any acquisition or investment proposed by the Company will be subject to regulatory approval. The inability to achieve these objectives may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s common shares were halted from trading on April 28, 2020, for failure to complete a Qualifying Transaction within 24 months of listing. The Company continues its efforts to locate a Qualifying Transaction and is working to restore its Exchange listing.

**Proposed Transaction**

On August 19, 2020, the Company announced that it has entered into a letter of intent dated July 29, 2020 (the “LOI”) for the acquisition (the “Proposed Transaction”) of IMD Health Global Corp. (“IMD”), a private company existing under the laws of Ontario. Upon completion of the Proposed Transaction, the business of IMD would become the business of the Company.

Termination of the Proposed Transaction

On September 17, 2020, IMD terminated the LOI and paid the Company the break fee of \$75,000 in November 2020.

**2. BASIS OF PRESENTATION**

**Statement of compliance**

These financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the period ended December 31, 2019, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). It is suggested that these financial statements be read in conjunction with the audited financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 and 2019**  
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**Basis of preparation**

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements of the Company are presented in Canadian dollars, which is the Company's functional currency.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies, estimates and critical judgments, and methods of computation and presentation, applied in these financial statements are consistent with those of the most recent audited financial statements and are those the Company expects to adopt in its financial statements for the year ended December 31, 2020.

**4. SHARE CAPITAL AND RESERVES**

**Authorized**

Unlimited common shares with no par value and unlimited preferred shares with no par value.

**Transactions for the issue of share capital during the nine months ended September 30, 2020:**

- The Company did not issue any common shares during the nine months ended September 30, 2020.

**Transactions for the issue of share capital during the year ended December 31, 2019:**

- The Company did not issue any common shares during the year ended December 31, 2019.

**Escrowed securities**

The Company entered into an escrow agreement (the "Escrow Agreement") in relation to common shares issued prior to the IPO. Pursuant to the Escrow Agreement, 1,065,004 common shares were placed in escrow on the date of IPO. Upon the Company completing a Qualifying Transaction, the Escrowed Common Shares will be subject to a timed release over a 36-month period.

As at September 30, 2020, 1,065,004 (December 31, 2019 – 1,065,004) common shares were held in escrow.

**Loss per share amounts**

In accordance with the Company's accounting policy, basic and diluted weighted average number of common shares outstanding excludes 1,065,004 common shares held in escrow.

**Warrants**

Share purchase warrant transactions are summarized as follows:

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	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Outstanding at December 31, 2019	200,000	\$ 0.30
Expired	(200,000)	0.30
<b>Outstanding at September 30, 2020</b>	<b>-</b>	<b>\$ -</b>

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**Stock options**

On January 22, 2018, the Company adopted a Stock Option Plan (the “Plan”) under which it is authorized to grant stock options to executive officers, directors, employees, and consultants. Under the Plan, the number of options that may be issued is limited to no more than 10% of the Company’s issued and outstanding shares immediately prior to the grant. While the Company is a CPC until completion of a Qualifying Transaction, the aggregate number of common shares that may be reserved for issuance under the Plan shall not exceed 10% of the common shares to be outstanding as at the closing of the Company’s initial public offering. The exercise price of each stock option shall equal the market price of the Company’s shares, less any applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

As at September 30, 2020, the outstanding and exercisable stock options were as follows:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Remaining life (in years)</b>
306,500	\$ 0.30	April 27, 2028	7.57

**5. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of its Executive Officers and Directors. Other related parties to the Company include companies in which key management have control or significant influence. Key management personnel receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company.

**Related party transactions:**

During the nine months ended September 30, 2020, professional fees included:

- \$31,491 (2019 - \$13,579) for legal services rendered by a law firm owned by the Chief Executive Officer of the Company; and \$2,916 (2019 - \$nil) for regulatory fees reimbursable to this law firm.

**Related party balances:**

As at September 30, 2020, accounts payable and accrued liabilities included \$25,030 owed to a related party (December 31, 2019 - \$13,215).

**6. FINANCIAL INSTRUMENTS**

**Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using Level 1 inputs. The carrying value of accounts payable and accrued liabilities approximates fair value due to its short-term nature.

**Financial risk management**

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below.

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*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 obligations. The Company limits its exposure to credit risk by placing its cash with a major financial institution. Management feels that the Company's credit risk with respect to cash is remote.

*Interest rate risk*

The Company is exposed to interest rate risk to the extent that its cash maintained in a financial institution is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

*Liquidity risk*

The Company's financial liabilities are classified as current and are anticipated to mature within the next twelve months. The Company intends to settle these with funds from its positive working capital position.

*Foreign currency risk*

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at September 30, 2020, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk insignificant.

*Price risk*

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

**7. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity. As at September 30, 2020, shareholders' equity was \$497,810 and there was no long term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's capital management approach during the nine months ended September 30, 2020.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of common shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4. The Company currently is not subject to other externally imposed capital requirements.