HEALWELL AI

MCI Announces Closing of Strategic Transaction with WELL Health, Changes Name to HEALWELL AI, and Debuts as AI and Data Science Focused Healthcare Technology Business

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- MCI Onehealth Technologies Inc. has been renamed HEALWELL AI Inc. (TSX: AIDX) to better reflect the company's renewed vision and focus.
- HEALWELL has significantly strengthened its balance sheet by: (1) Completing a convertible debenture unit financing for gross proceeds of $10 million led by WELL Health and a syndicate of investors, including Mr. Brian Paes-Braga, Managing Partner of SAF Group; and (2) Discharging and fully satisfying its secured debt obligations of more than $11M.
- HEALWELL and WELL Health have established a strategic alliance that positions HEALWELL to become a significant player in the multi-billion-dollar data sciences and preventative care industry.
- HEALWELL has expanded its board and management team with several new additions including the appointment of Hamed Shahbazi, Chairman and CEO of WELL Health Technologies, to the board of HEALWELL.

TORONTO, ON, October 2, **2023 (GLOBE NEWSWIRE)** – HEALWELL AI Inc. (f/k/a MCI Onehealth Technologies Inc.) ("**HEALWELL**" or the "**Company**") (TSX: AIDX), a healthcare technology and data science company focused on preventative care, is pleased to announce that it has successfully completed the strategic transaction with WELL Health Technologies Corp. ("**WELL**") that was first announced on July 20, 2023 (the "**Transaction**"). The Transaction comprised, among other things, a private placement offering of convertible debenture units for gross proceeds of $10 million, a sale of the Company's clinical assets[1] in Ontario to WELL, and the satisfaction and discharge of the outstanding secured debt of the Company and a number of its subsidiaries.

With the closing of this Transaction, HEALWELL positions itself as a healthcare technology and data science company focused on preventative care, with a vision to improve healthcare and save lives through early identification and detection of disease. HEALWELL leverages AI to empower patients and doctors to deliver increased access, reduce healthcare costs, and improve patient outcomes. The Company has been re-named from its former name, MCI Onehealth Technologies Inc., to HEALWELL AI Inc., to better reflect this renewed vision and focus. In addition, HEALWELL has entered into a strategic alliance agreement with WELL that positions the Company for newfound growth and expansion opportunities as an emerging artificial intelligence (AI) enabled healthcare technology company.

Dr. Alexander Dobranowski, CEO of HEALWELL, commented, “We are very pleased to announce the successful completion of this critical strategic transaction with WELL Health, one of the leading technology-enabled healthcare companies in North America, and a place where our providers will thrive as they continue to serve patients in our communities. Furthermore, the

[1] HEALWELL retained one clinic – known as Polyclinic – following the Transaction, where the Company has revenue from Patient Services as well as Technology & Research revenue.

strategic partnership and alliance with WELL Health will position HEALWELL with the necessary resources and clinical access to maximize our ability to execute against our mission, both in Canada and the USA."

Hamed Shahbazi, CEO of WELL Health, commented, “I am pleased to be joining the board of HEALWELL and helping further this very important strategic alliance. WELL is on a mission to tech-enable healthcare providers and we can’t think of a more important goal for the company than to make sure we are leading in the field of AI-enabled preventative health and the support it can provide our providers and their patients. We are making a significant long-term commitment and are looking forward to helping build a world-class company that will benefit both HEALWELL and WELL shareholders given our status as the largest investor in HEALWELL after completing this important round of funding.”

Mr. Brian Paes-Braga, Managing Partner of SAF, commented, “I am very pleased to be personally joining the HEALWELL AI corporate journey as a major investor in this round, alongside our partners at WELL Health, resulting in the strengthening and re-capitalization of the HEALWELL balance sheet. I believe HEALWELL has the potential to not just be a first mover and leader in AI, healthcare technology, and data science in Canada, but also the foundation for a platform to expand globally. What excites me most about this initiative is the laser focus from management and WELL on delivering on the promise of AI-enabled preventative health, ensuring that this generational opportunity in technology, value creation, and health is stewarded thoughtfully.”

Strategic Alliance Agreement

The Company has entered into a strategic alliance agreement with WELL to accelerate the growth and development of its AI-enabled healthcare technologies and to leverage those technologies for the benefit of WELL’s care providers and their patients. The strategic alliance agreement sets up a framework under which both companies plan to co-develop and roll out AI based decision support tools to WELL’s newly expanded network of clinics and providers which will now include the clinics previously owned by MCI.

The strategic alliance agreement establishes a unique relationship between the two companies to harness their collective resources and expertise to drive growth and enhance the experience of doctors and patients in WELL’s clinics. It is also expected that the companies will collaborate on capital allocation opportunities within the AI enabled digital health marketplace particularly as it relates to helping doctors detect and diagnose diseases as early as possible.

New Directors and Management

The Company is excited to announce that it has appointed two new directors to the board of the Company, Mr. Hamed Shahbazi and Mr. Erik Danudjaja, both from WELL. The Company has also expanded its management team, adding Mr. Blake Corbet as SVP of Corporate Development. Additional information on the new appointees is set out below:

Hamed Shahbazi, Board Director

Mr. Shahbazi is the Founder, Chief Executive Officer and Chairman of WELL and has over 25 years of experience as a technology focused operator and executive. Over the past five years Mr. Shahbazi has led WELL to become the dominant digital healthcare company in Canada with over $750 million in annual revenue. Previously, he founded TIO Networks (TSXV:TNC) a multi-channel payment solution provider, specializing in bill payment and other financial services, which was acquired by PayPal (NASDAQ:PYPL) in July 2017 for CAD$304 million. Over his career, Mr. Shahbazi has gained extensive experience in strategic mergers & acquisitions, both as an operator and board member with more than 70 successful transactions.

Erik Danudjaja, Board Director

Mr. Danudjaja is the Senior Associate of Corporate Development & Strategy at WELL. Since joining in 2021, he has been a key contributor to WELL's capital allocation and M&A program helping WELL complete more than a dozen transactions. Before his tenure at WELL, Erik served as an investment analyst at Burgundy Asset Management, focusing on US small and mid-cap equities.

Blake Corbet, SVP of Corporate Development

Mr. Corbet has over 25 years of experience working as an investment banker in London, Toronto and Vancouver involving financing, advisory and acquisition transactions in a variety of international markets. Most recently, Mr. Corbet ran the Corporate Development group at BBTV Holdings Inc. (TSX: BBTV) joining shortly after that company completed its IPO, and prior to that was co-head of investment banking at PI Financial Corp. As the SVP of Corporate Development at HEALWELL, Mr. Corbet is responsible for Corporate Development activities including acquisitions, divestitures and partnerships.

The Company also announces that Dr. Robert Francis and Mr. Anthony Lacavera have resigned as directors of the Company, effective October 1, 2023, to facilitate onboarding the WELL nominee directors. Each has been a valued member of the board and the Company would like to thank them both for their services and wish them all the best in their future endeavors.

With the above changes, the Company's board continues to be comprised of five directors.

Liquidity Update

The Company has faced significant financial challenges and liquidity constraints since the beginning of the year. With the closing of the Transaction, these challenges have been addressed, and the Company believes that it once again has sufficient capital to continue to operate its business and drive its growth objectives.

Transaction Highlights

Convertible Debenture Financing

The Company completed a private placement of convertible debenture units for aggregate gross proceeds of $10 million. WELL participated in the financing as lead investor, and subscribed for

$4.0 million of the total financing. Members of the SAF Group, a Canadian based global alternative capital provider, were key investors alongside WELL in this financing.

Each $1,000 convertible debenture unit consisted of a convertible debenture in the principal amount of $1,000 (“**Debentures**”) and 5,000 warrants to acquire a Class A Subordinate Voting Share of the Company (“**Warrants**”). The Debentures are unsecured obligations of the Company, mature 5 years from the closing date of the offering, and bear interest at a rate of 10% per annum, which will be payable at maturity. The principal and interest outstanding under the Debentures will be convertible into Class A Subordinate Voting Shares of the Company at any time, at the option of the holder, at a conversion price of $0.20 per Class A Subordinate Voting Share. The Warrants are also exercisable at a price of $0.20/share and expire five years from the closing date of the offering.

The Debentures and Warrants, if fully converted and exercised immediately following the closing of the Transaction, would result in the issuance of 100,000,000 new Class A Subordinate Voting Shares, which would leave existing Class A Subordinate Voting Shareholders holding approximately 35% of the Class A Subordinate Voting Shares.

In connection with the Transaction, the Company will pay a transaction fee of $100,000 to its former financial advisor.

Sale of Ontario Clinics and Corporate Health Division

The Company has sold to WELL, under an asset purchase agreement between their respective subsidiaries, eleven of its fourteen medical clinics in Ontario, along with other related assets, for an aggregate purchase price of approximately $1.5 million.

The acquired clinics will join WELL’s extensive and efficiently run network of clinics, the largest owned and operated network in Canada, ensuring stability and continued quality of care for patients and healthcare professionals.

The Company, through a wholly-owned subsidiary, has also sold to Medworks Inc. ("**Medworks**") a number of assets relating to its Corporate Health Services division for a purchase price of $100,000.

In connection with each of the asset purchase transactions, the Company has given customary representations, warranties and indemnities that will survive the closing for a period of 1-2.5 years.

Secured Debt Resolution

In connection with the Transaction, the Company and a number of its subsidiaries have fully satisfied and discharged their outstanding secured credit facilities with TD Bank, The First Canadian Wellness Co. Inc. (the "**Lender**"), a related party to the Company, and WELL. In total, more than $11 million in principal and accrued fees and interest have been satisfied as follows:

- The Company’s $3.1 million secured promissory note from WELL and its $1.5 million facility with TD Bank have been repaid;

- The Company has been and is continuing to deliver certain non-core assets consisting of debt and equity securities in four private healthcare technologies companies to the Lender in full satisfaction of the $1.5 million facility that was made available to the Company by the Lender on May 18, 2023 (the "**New Facility**"). The transfer of the non-core assets is being completed in stages, with the first transfer having been completed on August 4, 2023 and the last stage expected to be completed within a short period post-closing.

- The Company will pay $600,000 to the Lender to partially satisfy the balance of the Company's outstanding obligations to the Lender.

- WELL has purchased the remainder of the secured credit facility from the Lender and, at closing of the Transaction, discharged the obligations of the Company and a number of its subsidiaries under that facility.

Please refer to the Company's press release dated July 20, 2023 and its amended and restated material change report dated August 31, 2023 for more detail on the New Facility and its repayment.

Call Option

WELL has acquired a call option from Dr. Sven Grail and Dr. George Christodoulou, control persons of the Company, which gives WELL the right to acquire up to 30.8 million Class A Subordinate Voting Shares and 30.8 million Class B Multiple Voting Shares of the Company, representing an aggregate of approximately 93% of the votes attributable to all issued and outstanding shares of the Company (prior to the conversion or exercise of any Debentures or Warrants and after the surrender of certain Class B Multiple Voting Shares as described below).

The exercise of the option is conditional on the achievement by the Company of a number of performance milestones designed to demonstrate improvements in the Company's financial and capital markets performance. The option can only be exercised in pairs, such that WELL must concurrently acquire a Class A Subordinate Voting Share and a Class B Multiple Voting Share, and is exercisable for 36 months post-closing. The exercise of the call option is expected to proceed under the private agreement exemption in National Instrument 62-104 – *Take-over Bids and Issuer Bids* ("**NI 62-104**"), such that the price of the call option would not be permitted to exceed 115% of the market price of the Class A Subordinate Voting Shares at the time of exercise. If at the time of exercise, the exercise price would exceed 115% of the market price of the Class A Subordinate Voting Shares, the exercise would be subject to the standard rules and procedures applicable to take-over bids under NI 62-104.

Surrender of Class B Shares

On closing of the Transaction an aggregate of 5.2 million Class B Multiple Voting Shares were surrendered to the Company for no consideration and have been cancelled. Following the surrender, the only outstanding Class B Multiple Voting Shares are those subject to the Call Option.

Investor Rights Agreement

On closing of the Transaction, the Company entered into an investor rights agreement with WELL providing WELL with, among other things (a) the right to nominate up to (i) 2 directors or non-voting board observers of the Company, or (ii) a majority of the directors or non-voting board observers of the Company in the event that WELL becomes a control person of the Company having more than 20% of the voting rights attached to all outstanding voting securities of the

Company; (b) pre-emptive rights in respect of future issuances of securities of the Company, and (c) qualification and registration rights, in each case subject to standard terms and conditions.

Equity Incentive Reorganization

In connection with the completion of the Transaction and the renewed vision of the Company, the board of directors of the Company has approved a reorganization of its equity incentive strategy to better align the interests of its board, management, employees and consultants with the new strategic direction of the Company.

The board has approved the grant of a total of 233,187 deferred share units ("**DSUs**"), 950,000 restricted share units ("**RSUs**") and 950,000 performance share units ("**PSUs**, and together with the DSUs and the RSUs, the "**Equity Incentives**") to acquire Class A Subordinate Voting Shares. The Equity Incentives were granted pursuant to the Company's long-term omnibus equity incentive plan dated December 22, 2020 (the "**Plan**"). In addition to the Equity Incentive grants, the board has also approved the amendment of the outstanding options for Class A Subordinate Voting Shares previously granted to certain employees, consultants and senior officers of the Company who will continue to serve the Company following completion of the Transaction. The amendments consisted of changing (a) the exercise price of each option to $0.69/share, (b) the expiry date of each option to October 1, 2028, and (c) the vesting terms for any unvested options to vest in annual increments of 25% over the 4 years following the closing of the Transaction.

The grants were fixed by the Human Resources and Compensation Committee of the Company after due consideration of the anticipated role of each recipient in the go-forward business, the dilutive effect of the Offering and comparable compensation offered by other similarly positioned businesses. The amendments to the options held by insiders were overwhelmingly approved by the shareholders of the Company at its recent shareholder meeting on September 21, 2023.

The grant of Equity Incentives to the directors and senior officers of the Company, and the amendment of certain options held by senior officers of the Company, were "related party transactions" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). In total, 500,000 RSUs and PSUs were granted to Alexander Dobranowski, the CEO of the Company, 150,000 RSUs and PSUs were granted to Scott Nirenberski, the CFO off the Company, 88,405 DSUs were granted to Kingsley Ward, the Chairman of the Company, 79,710 DSUs were granted to Bashar Al-Rehany, a Director of the Company, and 55,072 DSUs were granted to Anthony Lacavera, a former Director of the Company. Among the options amended were 973,333 options held by Alexander Dobranowski, the CEO of the Company, and 486,667 options held by Scott Nirenberski, the CFO of the Company.

The Company did not file a material change report 21 days or more in advance of the grants and amendments. The Company believes this is reasonable, as the final details of the grants and amendments had not been finalized until recently and were tied to completion of the Transaction.

Other Information

Owens Wright LLP acted as legal counsel to HEALWELL and Clark Wilson LLP acted as legal counsel to WELL in connection with the Transaction.

Eight Capital acted as financial advisor to WELL Health in connection with the Transaction.

For more details on the Transaction please refer to the Company's press releases dated July 20, 2023, July 27, 2023 and September 21, 2023, as well as the Company's material change reports dated July 28, 2023 and August 31, 2023, and its management information circular dated August 21, 2023, all of which are available for review on the Company's SEDAR+ page at www.sedarplus.ca. Copies of the definitive agreements for the Transaction will also be made available for review on the Company's SEDAR+ page in due course.

About HEALWELL AI Inc.

HEALWELL AI is a healthcare technology company focused on AI and data science for preventative care. Our mission is to improve healthcare and save lives through early identification and detection of disease. As a physician led organization with a proven management team of experienced executives, HEALWELL AI is executing a strategy centered around developing and acquiring technology and clinical sciences capabilities that complement the company's roadmap. HEALWELL is publicly traded on the Toronto Stock Exchange under the symbol "**AIDX**". For more information, visit www.HEALWELL.ai.

About WELL Health Technologies Corp.

WELL's mission is to tech-enable healthcare providers. WELL does this by developing the best technologies, services, and support available, which ensures healthcare providers are empowered to positively impact patient outcomes. WELL's comprehensive healthcare and digital platform includes extensive front and back-office management software applications that help physicians run and secure their practices. WELL's solutions enable more than 28,000 healthcare providers between the US and Canada and power the largest owned and operated healthcare ecosystem in Canada with more than 130 clinics supporting primary care, specialized care and diagnostic services. In the United States WELL's solutions are focused on specialized markets such as the gastrointestinal market, women's health, primary care, and mental health. WELL is publicly traded on the Toronto Stock Exchange under the symbol "WELL" and on the OTC Exchange under the symbol "WHTCF". To learn more about the Company, please visit: www.well.company

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Forward Looking Statements

Certain statements in this press release, constitute "forward-looking information" and "forward looking statements" (collectively, "forward looking statements") within the meaning of applicable Canadian securities laws and are based on assumptions, expectations, estimates and projections as of the date of this press release. Forward-looking statements include statements with respect to the go-forward business of the Company following completion of the strategic transaction, the strategic alliance between the Company and WELL, the intention for the Company to white label new AI-enabled healthcare technologies, and the statements regarding the Company having *sufficient working capital for future operations. The words "to become", "improve", "growth", "ensuring", "continue", "anticipated", "expect", "proceed", "potential", "future", "consider", "result in", "increase", "deliver", "emerging", "is conditional", "plan", "position", "opportunities", "expansion", "exercise", "ensure", "achieve", "acquire", "complete", "satisfy", "entitle", "subject to" or variations of such words and phrases or statements that certain future conditions, actions, events or results "will", "may", "could", "would", "should", "might" or "can", or negative versions thereof, "occur", or "be achieved", and other similar expressions, identify forward-looking statements. Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by HEALWELL as of the date of such statements, are outside of HEALWELL's control and are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being entirely or partially incorrect or untrue. Forward looking statements contained in this press release are based on various assumptions, including, but not limited to, the following: HEALWELL's ability to maintain its relationships and to successfully implement its strategic alliance with WELL; HEALWELL's future access to debt and equity financing; HEALWELL's plans for future cost reduction; the availability of working capital and sources of liquidity; HEALWELL's ability to achieve its growth and revenue strategies; the demand for HEALWELL's products and fluctuations in future revenues; the availability of future business ventures, commercial arrangements and acquisition targets or opportunities and HEALWELL's ability to consummate them and to effectively integrate future acquisition targets into its platform; the effects of competition in the industry; the requirement for increasingly innovative product solutions and service offerings; trends in customer growth; the stability of general economic and market conditions; currency exchange rates and interest rates; HEALWELL's ability to comply with applicable laws and regulations; HEALWELL's continued compliance with third party intellectual property rights; and that the risk factors noted below, collectively, do not have a material impact on HEALWELL's business, operations, revenues and/or results. By their nature, forward-looking statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved.*

Known and unknown risk factors, many of which are beyond the control of HEALWELL, could cause the actual results of HEALWELL to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. Such risk factors include but are not limited to those factors which are discussed under the section entitled "Risk Factors" in HEALWELL's annual information form dated March 31, 2023, which is available under HEALWELL's SEDAR+ profile at www.sedarplus.ca. The risk factors are not intended to represent a complete list of the factors that could affect HEALWELL and the reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. HEALWELL disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. All of the forward-looking statements contained in this press release are qualified by these cautionary statements.