HEALWELL AI INC.
(formerly known as MCI ONEHEALTH TECHNOLOGIES INC.)

Condensed Interim Consolidated Financial Statements
For the Three and Nine Month Periods Ended September 30, 2024
(In Canadian Dollars)
(Unaudited)

HEALWELL AI INC. (formerly known as MCI ONEHEALTH TECHNOLOGIES INC.)
Condensed Interim Consolidated Statement of Financial Position
(In thousands of Canadian dollars, except per share amounts)
(Unaudited)

	Note	September 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		15,240	19,162
Accounts receivable	4	8,431	1,115
Prepaid and other assets	5	5,759	1,203
Advance against investment	-	-	-
Net investment in subleases-current	17	36	126
		29,466	**21,606**
Assets classified as held for sale		-	1,150
Total current assets		**29,466**	**22,756**
Non-current assets			
Net investment in subleases	17	225	249
Property, plant and equipment	9	3,826	3,733
Intangible assets	10	90,276	24,811
Investment in equity securities	11	3,489	410
Call options	13	600	1,500
Other assets	5	125	387
Total non-current assets		**98,541**	**31,090**
Total assets		**128,007**	**53,846**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	15	9,066	5,978
Acquistions related payable	16	7,870	443
Deferred revenue		2,165	335
Related party loan-current	8	7,191	672
Contingent consideration	14	3,707	-
Other liabilities		-	86
Dividends		-	-
Current portion of lease liability	17	533	1,010
		30,532	**8,524**
Liabilities associated with assets classified as held for sale		-	897
Total current liabilities		**30,532**	**9,421**
Non-current liabilities			
Non-current portion of lease liability	17	3,831	4,264
Related party loan	8	4,341	10,658
Deferred tax liabilities	25	2,945	2,024
Contingent consideration	14	4,080	260
Non-controlling interest redeemable liability	18	-	1,282
Debenture payable	19	2,673	2,932
Loan payable	20	1,581	1,541
Total non-current liabilities		19,451	22,961
Total liabilities		**49,983**	**32,382**
EQUITY			
Share capital	21	134,877	67,368
Convertible debenture option reserve		1,680	1,964
Contributed surplus		16,622	12,567
Translation reserve		560	-
Deficit		(81,799)	(69,249)
Equity attributable to HEALWELL AI Inc.		71,940	12,650
Non-controlling interest		6,084	8,814
Total equity		78,024	21,464
TOTAL LIABILITIES AND EQUITY		**128,007**	**53,846**

The financial statements were approved by the Company's board of directors (the "Board of Directors") and authorized for issue on November 11, 2024.

They were signed on behalf of the Company by:

"Alexander Dobranowski " – CEO/Director

"Kingsley Ward "– Director

See accompanying notes to the condensed interim consolidated financial statements.

HEALWELL AI INC. (formerly known as MCI ONEHEALTH TECHNOLOGIES INC.)

Condensed Interim Consolidated Statement of Profit (Loss) and Comprehensive Income (Loss)

(In thousands of Canadian dollars, except per share amounts)

(Unaudited)	**Note**	**Three months ended September 30**		**Nine months ended September 30**	
			note 34		**note 34**
		2024	**2023**	**2024**	**2023**
Continuing operations					
Revenue	33	13,740	1,640	23,764	5,396
Cost of Revenue		8,278	1,464	12,596	4,389
Gross profit		**5,462**	**176**	**11,168**	**1,007**
Operating Expenses					
Research and development		181	911	1,897	3,461
Sales and marketing		2,875	319	5,138	959
General and administrative		12,976	3,525	26,434	9,321
Impairment of right of use assets	9	-	-	850	-
Impairment of goodwill and intangibles	23	-	-	-	7,629
Operating expenses	23	**16,032**	**4,755**	**34,319**	**21,370**
Loss before other expense (income) and taxes		**(10,570)**	**(4,579)**	**(23,151)**	**(20,363)**
Financing expenses	24	541	579	2,015	1,166
Other income		(158)	(4)	(509)	(12)
Changes in fair value of call options	13	250	-	900	-
Changes in fair value of contingent consideration		150	1,730	150	1,692
Changes in fair value of investments		-	-	-	134
Loss on settlement of shares-contingent consideration	14	-	-	-	677
Debt forgiveness	8	-	-	(7,863)	-
Liability extinguishment	17	-	-	(3,088)	-
Impairment of investment in an associate		-	-	-	2,180
		783	2,305	(8,395)	5,837
Loss before taxes		(11,353)	(6,884)	(14,756)	(26,200)
Income tax recovery	25	(233)	(251)	(998)	(1,195)
Net loss for the period on continuing operations, net of tax		(11,120)	(6,633)	(13,758)	(25,005)
Net profit (loss) on discontinued operations, net of tax	7	-	(1,110)	(54)	(41)
Net loss for the period		**(11,120)**	**(7,743)**	**(13,812)**	**(25,046)**
Other Comprehensive Expense					
Foreign currency translation of foreign operations		510	-	560	-
Net comprehensive loss for the period		**(10,610)**	**(7,743)**	**(13,252)**	**(25,046)**
NET (LOSS)/PROFIT ATTRIBUTED TO					
Non-controlling interests		(547)	48	(938)	18
Shareholders of HEALWELL AI Inc.		(10,573)	(7,791)	(12,874)	(25,064)
		(11,120)	**(7,743)**	**(13,812)**	**(25,046)**
NET COMPREHENSIVE (LOSS) EARNINGS ATTRIBUTABLE TO					
Non-controlling interests		(547)	48	(938)	18
Shareholders of HEALWELL AI Inc.		(10,063)	(7,791)	(12,314)	(25,064)
		(10,610)	**(7,743)**	**(13,252)**	**(25,046)**
Loss per share attributable to HEALWELL AI Inc.					
Basic and diluted - Continuing operations		(0.06)	(0.12)	(0.08)	(0.50)
Basic and diluted		(0.06)	(0.14)	(0.08)	(0.50)

See accompanying notes to the condensed interim consolidated financial statements.

HEALWELL AI INC. (formerly known as MCI ONEHEALTH TECHNOLOGIES INC.)
Condensed Interim Consolidated Statement of Changes in Equity
(In thousands of Canadian dollars, except per share amounts)
(Unaudited)

		Class A Subordinate Voting shares									Class B multiple voting shares
	Note	**Shares**	**Share Capital**	**Convertible Debenture Option Reserve**	**Contributed Surplus**	**Translation Reserve**	**Deficit**	**Total**	**Non-Controlling interest**	**Total Equity**	
Balance-January 1, 2023		50,075,202	39,787	-	9,640	-	(37,652)	11,775	1,719	13,494	36,000,000
Net loss and comprehensive loss		-	-	-	-	-	(25,064)	(25,064)	18	(25,046)	
Share based Payments	22	-	-	-	2,518	-	-	2,518	-	2,518	
Share issued in exchange for achieving milestone		3,035,657	2,277	-	-	-	-	2,277	-	2,277	
Share issued in exchange for achieving earn out target	21	758,914	400	-	(400)	-	-	-	-	-	
Balance- September 30, 2023		**53,869,773**	**42,464**	**-**	**11,758**	**-**	**(62,716)**	**(8,494)**	**1,737**	**(6,757)**	**36,000,000**

		Class A Subordinate Voting shares									Class B multiple voting shares
	Note	**Shares**	**Share Capital**	**Convertible Debenture Option Reserve**	**Contributed Surplus**	**Translation Reserve**	**Deficit**	**Total**	**Non-Controlling interest**	**Total Equity**	
Balance-January 1, 2024		87,986,790	67,368	1,964	12,567	-	(69,249)	12,650	8,814	21,464	30,800,000
Net loss and comprehensive loss		-	-	-	-	560	(12,874)	(12,314)	(938)	(13,252)	
NCI adjustments for Polycilic		-	-	-	629	-	324	953	(324)	629	
Buyback of Polyclinic NCI Shares	6 & 17	-	-	-	1,305	-	-	1,305	(1,468)	(163)	
Share based Payments	22	-	-	-	4,420	-	-	4,420	-	4,420	
Shares issuance against release of services	21	850,000	2,057		(2,057)			-		-	
Share issuance	21	14,815,000	18,751	-	-	-	-	18,751	-	18,751	
Share issued for acquisition	21	30,004,211	35,765	-	-	-	-	35,765	-	35,765	
Share issuance for settlement of RSUs and DSUs	21	263,750	198		(165)	-	-	33	-	33	
Share issued against conversion of debentures	21	5,641,838	1,001	(284)	-	-	-	717	-	717	
Share warrants	21	-	-	-	378	-	-	378	-	378	
Exercise of warrants	21	26,318,088	9,737	-	(455)	-	-	9,282	-	9,282	
Balance- September 30, 2024		**165,879,677**	**134,877**	**1,680**	**16,622**	**560**	**(81,799)**	**71,940**	**6,084**	**78,024**	**30,800,000**

See accompanying notes to the condensed interim consolidated financial statements.

HEALWELL AI INC. (formerly known as MCI ONEHEALTH TECHNOLOGIES INC.)

Condensed Interim Consolidated Statement of Cash Flows

(In thousands of Canadian dollars, except per share amounts)

	Note	Nine months ended Sep 30 2024	2023 note 34
Operating activities:			
Net loss and comprehensive loss for the period		(13,252)	(25,046)
Items not affecting cash:			
Depreciation and amortization	30	5,034	2,388
Deferred tax liabilities	25	(1,359)	(1,195)
Non-cash interest accreted income	17	-	(12)
Non-cash interest accreted expense	17	102	154
Share based compensation	22	4,420	2,518
Expected credit losses	4	(9)	(103)
Fair value changes in contingent consideration		150	1,693
Loss on settlement of shares-contingent consideration		-	677
Impairment on intangible		-	7,629
Impairment on right of use assets	9	850	-
Changes in fair value of investments		-	134
Changes in fair value of call options	13	900	-
Interest on related party loan	8	1,294	814
Assets written off		230	-
Interest on bank loan	20	40	-
Debt forgiveness	8	(7,863)	-
Liability extinguishment	17	(3,088)	-
Impairment on investments		-	2,180
		(12,551)	(8,169)
Net Change in non-cash operating items:	26	(6,606)	1,411
Net cash flows used in operating activities from continuing operations		(19,157)	(6,758)
Net cash flows generated in operating activities from discontinued operations		21	1,256
Net cash flows used in operating activities		(19,136)	(5,502)
Investing activities			
Acquisition of subsidiary, net of cash acquired	12	(9,447)	-
Buyback of Polyclinic NCI Shares	6	(625)	-
Proceeds from sale of consideration shares		-	535
Investment in equity securities		(3,079)	-
Purchase of intangible assets		(1,784)	-
Purchase of property, plant and equipment	9	(37)	(66)
Software development costs		-	-
Net cash flows (used in) generated from investing activities from continuing operations		(14,972)	469
Net cash flows used in investing activities from discontinued operations		-	(62)
Net cash flows (used in) generated from investing activities		(14,972)	407
Financing activities			
Advances from related parties-net		1,932	3,128
Proceeds from issuance of shares		19,119	-
Proceeds from issuance of shares against exercise of warrants		9,282	-
Proceeds from issuance of shares against settlement of RSUs		33	-
Advance from Bank credit facility		-	(345)
Net cash inflow on disposal of subsidiary		-	1,000
Bridge financing		-	3,000
Lease payments	17	(854)	(1,827)
Lease payments received	17	114	321
Net cash flows from financing activities from continuing operations		29,626	5,277
Net cash flows used in financing activities from discontinued operations		-	(931)
Net cash flows from financing activities		29,626	4,346
Foreign currency translation of foreign operations		560	-
Net decrease in cash and cash equivalents		(3,922)	(749)
Cash and cash equivalent at beginning of the period		19,162	1,411
Cash and cash equivalent at ending of the period		15,240	662

See accompanying notes to the condensed interim consolidated financial statements.

NATURE OF BUSINESS AND BASIS OF PREPARATION

1. REPORTING ENTITY

HEALWELL AI INC. ("HEALWELL"), formerly known as MCI ONEHEALTH TECHNOLOGIES INC., is a company incorporated in Canada.

The condensed interim consolidated financial statements of HEALWELL as at and for the three and nine month periods ended September 30, 2024, and September 30, 2023, comprise HEALWELL and its subsidiaries (together referred to as the "Company"). The Company provides:

- Government-insured primary and specialty healthcare through medical clinics in its Quit Clinic subsidiary.
- Technology-enabled rare disease screening through its Khure Health subsidiary.
- Clinical research through its Canadian Phase Onward and BioPharma Services Inc subsidiaries.
- Pulmonary function testing lab services through its North York Pulmonary Function Test Centre subsidiary.
- AI-driven healthcare information analytics and insights through its Pentavere Research subsidiary ("Pentavere").
- Subscription-based "Healthcare Software " (HS) information software through its Intrahealth Systems and Verosource subsidiaries.

The head office and principal address of the Company are located at 460 College Street, Unit 301, Toronto, Ontario, M6G 1A1. The records office of the Company is located at 22 Adelaide St. W., Unit 3600, Toronto, Ontario, M5H 4E3.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and using the same accounting policies as described in the Company's annual consolidated financial statements for the years ended December 31, 2023 and 2022 except for the new accounting standards/amendments adopted. The notes presented in these condensed interim consolidated financial statements include, in general, only significant changes and transactions occurring since the Company's last year end and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements, including the notes thereto, for the years ended December 31, 2023 and 2022.

These condensed interim consolidated financial statements for the period ended September 30, 2024 were approved by the Board of Directors on November 11, 2024.

a) Use of Estimates and Judgement

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these judgements, estimates and assumptions.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the December 31, 2023 annual consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

The preparation of financial statements is based on accounting principles and practices consistent with those used in the preparation of December 31, 2023 annual consolidated financial statements, except for the following:

a) Foreign currency translation

(i) Functional and presentation currency

These condensed interim consolidated financial statements are presented in their functional currency, which is Canadian dollars.

Each of the Company's subsidiaries 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 Intrahealth Australia Limited is the Australian dollar, and the functional currency of Intrahealth New Zealand Limited and Intrahealth Systems Limited is the New Zealand dollar. The functional currency of all other entities in the consolidated group is the Canadian dollar.

(ii) Foreign operations translation

Foreign operations that have a functional currency other than the Canadian dollar are translated into the presentation currency as follows:
- assets and liabilities are translated at the closing foreign currency rate at the date of that consolidated statement of financial position;
- income and expenses 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 foreign currency gains and losses are recognized in other comprehensive loss as a foreign currency translation adjustment.

The relevant amount of cumulative foreign currency translation adjustment is reclassified to earnings upon disposition of a foreign operation.

(iii) Transactions in foreign currency

Foreign currency transactions for each entity are translated into the relevant 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). Period end balances of monetary assets and liabilities denominated in currencies other than an entity's functional currency are translated into the entity's functional currency using period end foreign currency rates. 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 profit and comprehensive loss.

b) Revenue Recognition

(i) Services revenue is earned according to the scope of a project or service request; these projects are delivered across Canada, Australia and New Zealand over a period of time and revenue is recognized accordingly. Services revenue is most often based on fixed fee milestone payments, with the most common form being payment of a percentage of the total on signature, payment at a key decision gate midway through the project, and the remaining payment made upon close of the project. Payment is occasionally based on a time and materials basis, where work is billed in arrears based on tracked hours and expenses.

(In thousands of Canadian dollars, except per share amounts)

(ii) SaaS revenue is mainly derived from subscription licenses to the Company's software products and related add-on products. SaaS revenue is generated by providing support, hosting, and related services to customers across Canada, Australia and New Zealand that use Company's subscription-based software products. SaaS revenue is recognized over a period of time, typically for terms ranging from monthly to annually, and is most frequently prepaid by customers in advance of the Company rendering the service.

(iii) Clinical studies revenue is recognized based on the completed stage or level of the project, as provided by project management and reviewed by the director of projects. This ensures that revenue is matched with the stage of completion of the services rendered.

c) Basis of Consolidation

The consolidated financial statements include the accounts of HEALWELL and its subsidiaries after elimination of inter-company transactions and balances. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control.

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

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

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

Name of Entity	Place of business / Country of Incorporation	Economic ownership/Voting interest percentage	Nature of Relationships	Date Acquired
MCI Medical Clinics Inc	Canada	100%	Subsidiary	April 26, 2007
MCI Medical Clinics (BC) Inc	Canada	100%	Subsidiary	April 26, 2007
Onehealth Technologies Inc	Canada	100%	Subsidiary	February 16, 2021
Khure Health Inc	Canada	100%	Subsidiary	April 26, 2021
MCI Polyclinic Group Inc	Canada	100%	Subsidiary	July 30, 2021
The Quit Clinic Inc	Canada	100%	Subsidiary	July 30, 2021
Canadian Phase Onward	Canada	100%	Subsidiary	July 30, 2021
North York Pulmonary Function Test Centre	Canada	100%	Subsidiary	July 30, 2021
Pentavere Research	Canada	51%	Subsidiary	December 1, 2023
Intrahealth Systems Limited	New Zealand	100%	Subsidiary	February 1, 2024
Intrahealth Australia Solutions Pty	Australia	100%	Subsidiary	February 1, 2024
Intrahealth New Zealand Limited	New Zealand	100%	Subsidiary	February 1,2024
Intrahealth Canada Limited	Canada	100%	Subsidiary	February 1,2024
Intrahealth Systems UK Limited	United Kingdom	100%	Subsidiary	February 1,2024
BioPharma Services Inc.	Canada	100%	Subsidiary	July 1,2024
VeroSource Solutions Inc	Canada	100%	Subsidiary	July 1,2024

Adoption of new accounting standards

On January 1, 2024, the Company adopted "Classification of Liabilities as Current or Non-current (Amendments to IAS 1)" and "Non-current Liabilities with Covenants (Amendments to IAS 1)". The amendments clarify the requirements for classifying liabilities as current or non-current, specifically to introduce certain requirements related to the determination of the existence of a right at the end of a reporting period to defer settlement of a liability for at least twelve months after the reporting period. The amendments also specify that if a right to defer settlement of a liability for at least twelve months is subject to an entity complying with covenants after the reporting period, then those covenants would not affect the classification of the liability as current or non-current at the reporting date. The amendments also require entities to provide additional disclosures for liabilities classified as non-current and subject to covenants within twelve months of the reporting date. The adoption of the amendments did not have any impact on these condensed interim consolidated financial statements.

New accounting standard

On April 9, 2024, the IASB issued IFRS Accounting Standard 18 "Presentation and Disclosures in Financial Statements". The objective of the new standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact of the new standard.

(In thousands of Canadian dollars, except per share amounts)

4 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

		September 30, 2024	December 31, 2023
Trade receivables - Patient services		3,818	258
Trade receivables – Clinical research , AI & Data sciences		1,899	211
Trade receivables - Healthcare Software		2,730	-
Trade receivables – Others		-	671
Expected credit losses		(16)	(25)
		8,431	1,115

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

	September 30, 2024	December 31, 2023
As at January 1,	25	189
Expense of provision for expected credit losses- continuing operations	(9)	11
Reversal of provision for expected credit losses- discontinued operations	-	(175)
	16	25

5 PREPAID AND OTHER ASSETS

Other assets consist of:

		September 30, 2024	December 31, 2023
Prepaid expenses	i	3,044	157
Harmonized Sales Tax (HST)		1,365	632
Scientific research & experimental development credits receivable		-	415
Others		1,475	386
		5,884	1,590
Less: current portion		(5,759)	(1,203)
		125	387

i Included $361 inrelation to Intrahealth transition service agreement with WELL Health Technologies Corp.

6 DISPOSAL OF SUBSIDIARY

On June 17, 2024, MCI Polyclinic Group Inc. ("MCI Polyclinic"), a subsidiary of HEALWELL, acquired, for the purpose of cancellation, all of its issued and outstanding Class B common shares (representing 20% of all of its issued and outstanding common shares) from Health Network Efficiencies Inc. ("HNE"). The purchase price paid by MCI Polyclinic to HNE for acquiring its own equity instruments comprised of cash consideration of $625 and the remaining $50 was settled through the transfer of all the shares of Executive Medical Concierge Canada (2021) Ltd (EMC), a 100% owned subsidiary of MCI Polyclinic, to HNE. Following the disposal, EMC ceased to be a subsidiary or affiliate of the Company.

The assets and liabilities of EMC have been derecognized in the consolidated statement of financial position.

(In thousands of Canadian dollars, except per share amounts)

The following table summarizes the carrying amount of the major class of the identifiable assets and liabilities disposed off:

	June 17, 2024
Cash	839
Accounts Receivable	77
Other Assets	20
Goodwill	384
Property, Plant and Equipment	2
Deferred revenue	(433)
Accounts payable and accrued liabilities	(598)
Total net assets derecognized	291
Cash	839
Accounts Receivable	77
Other Assets	39
Property, Plant and Equipment	2
Deferred revenue	(433)
Accounts payable and accrued liabilities	(598)
Net liabilities	(74)
Total consideration (Investment in EMC)	50
Gain on disposal-net of tax	(24)

7 DISCONTINUED OPERATIONS

The results of discontinued operations are shown as follows:

	Three Months ended September 30 2024	**Three Months ended September 30 2023**	**Nine Months ended September 30 2024**	**Nine Months ended September 30 2023**
Revenue	-	6,361	477	24,483
Cost of revenue	-	4,487	308	17,105
Gross profits	**-**	**1,874**	**169**	**7,378**
<u>Operating Expenses</u>				
Sales and marketing	-	18	-	42
General and administrative	-	2,892	119	8,884
Operating expenses	-	2,910	119	8,926
Net (Loss) Income before other expense and taxes	**-**	**(1,036)**	**50**	**(1,548)**
Net financing expenses	-	41	21	286
Impairment of goodwill and intangibles	-	-	-	146
Loss (gain) on disposal of subsidiary	-	-	78	(2,016)
(Loss) Income before taxes	**-**	**(1,077)**	**(49)**	**36**
Income tax expenses	-	33	5	77
Net loss from discontinued operations	**-**	**(1,110)**	**(54)**	**(41)**

(In thousands of Canadian dollars, except per share amounts)

The Cashflows from discontinued operations is as follows:

	Nine Months ended September 30 2024	Nine Months ended September 30 2023
Cash flows from operating activities	21	1,256

The loss per share of discontinued operations for the nine-month period ended September 30, 2024, and 2023 as follows:

	September 30, 2024	September 30, 2023
Basic and diluted loss per share	(0.0003)	(0.0008)

Basic and diluted loss per share for discontinued operations is calculated by dividing net loss attributable to shareholders by the sum of the weighted average number of shares outstanding. The denominators used are the same as those detailed in note 20 to these condensed interim consolidated financial statements.

For the comparative period of nine months ended September 30, 2023, discontinued operations includes all the disposed of entities. These entities were disposed in 2023. Accordingly, discontinued operations in the nine months period ended September 30, 2024 only represent EMC.

For the comparative period of three and nine months ended September 30, 2023, discontinued operations also included disposed of entities other than EMC. These entities have been disposed in 2023. Accordingly, discontinued operations in the three and nine months period ended September 30, 2024 only represented EMC.

8 RELATED PARTY BALANCES AND TRANSACTIONS

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

- WELL Health Technologies Corp. – has common directorship with the Company and has shareholding.
- HEALWELL management and board members.
- The First Canadian Wellness Co. Inc.- afffiliate of major shareholders

(In thousands of Canadian dollars, except per share amounts)

a) Related party balances	**Note**	**September 30, 2024**	**December 31, 2023**
WELL Health Technologies Corp			
Principal including accrued interest		-	7,226
Debenture payable	**18**	2,868	2,511
Operating loan payable		326	822
Deferred Consideration - Intrahealth	**12**	642	-
Convertible principal promissory note including accrued interest		5,180	-
Holdback – Intrahealth	**12**	606	-
Related parties of Intrahealth Systems Limited			
Operating loan payable		1,043	-
Management and Board members			
Debenture payable	**19**	867	772
		11,532	11,331
Less: current portion		(7,191)	(672)
		4,341	10,659

b) Related party transactions

The Company has engaged in the following transactions with related parties:

	Three months ended September 30	
	2024	**2023**
The First Canadian Wellness Co. Inc.		
Loan advances	-	1,468
Interest on loan advances	-	478
Set-up fee on loan advances	-	46
WELL Health Technologies Corp.		
Interest on loan advances	-	-
Transition services	394	-
Debt forgiveness	-	-
Interest on debentures	121	-
Interest on promissory notes	120	-
Management and Board members		
Interest on debentures payable	38	-

(In thousands of Canadian dollars, except per share amounts)

	Nine months ended September 30	
	2024	**2023**
The First Canadian Wellness Co. Inc.		
Loan advances	-	3,128
Interest on loan advances	-	478
Set-up fee on loan advances	-	46
WELL Health Technologies Corp.		
Interest on loan advances	637	-
Transition services	917	-
Debt forgiveness	(7,863)	-
Interest on debentures	363	-
Interest on promissory notes	180	-
Management and Board members		
Interest on debentures payable	114	-

On February 1, 2024, in connection with its acquisition of Intrahealth, the Company delivered promissory notes to WELL for a portion of the purchase price in the aggregate principal amount of $5,000. The promissory notes bear interest only when in default, at a rate of 18% per annum and were initially repayable over the 10 months following the closing date in either cash or shares. WELL and the Company subsequently agreed to amend the notes to extend out their maturity date to March 31, 2026. The outstanding amount may be converted into Subordinate Voting Shares of the Company at the option of WELL, subject to certain conditions and at the conversion price calculated in accordance with the promissory notes. Payments are made in Canadian currency at a designated location.

The debentures bear interest at a rate of 10% per annum and mature 5 years from the closing date of October 1, 2023. The principal and interest outstanding under the debentures are convertible into Subordinate Voting Shares at $0.20/share, and for every $1 of debentures purchased, subscribers also received 5 warrants for Subordinate Voting Shares exercisable at $0.20/share.

On June 29, 2024, pursuant to Section 10 of the debt resolution agreement entered into between the Company, WELL and certain other parties in connection with the Strategic Transaction, WELL agreed to release and forever discharge MCI Medical Clinics Inc. from any and all liability and obligations under the loan and security documents which it acquired from First Canadian Wellness Co. Inc. on October 1, 2023. As a result, the Company derecognized all the associated liabilities and recorded a gain amounting to $7,863.

As part of the acquisition of Intrahealth in the year, a transition services agreement was entered into with WELL to carry on certain IT, security and accounting functions for this business unity for a term of 12-months post acquisition

Related party transactions are incurred in the normal course of operations and are recorded at the contractual amounts between the related parties.

(In thousands of Canadian dollars, except per share amounts)

9 PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

a) Cost	**Medical equipment**	**Furniture and Equipment**	**Leasehold Improvements**	**Right-of-use Assets**	**Total**
Balance, December 31, 2022	1,294	5,147	7,334	20,061	33,836
Additions	2	11	53	-	66
Lease modification	-	-	-	(201)	(201)
Reclassified as assets held for sale	-	(4)	-	-	(4)
Acquisition through business combination	-	22	23	181	226
Disposal of subisdiary and assets	(982)	(1,914)	(3,909)	(9,820)	(16,625)
Balance, December 31, 2023	314	3,262	3,501	10,221	17,298
Additions		37	-	-	37
Acquisition through business combination	28	970	1,085	-	2,083
Assets Written Off	-	(467)	-	-	(467)
Translation Reserve		8			8
Balance, September 30, 2024	**342**	**3,810**	**4,586**	**10,221**	**18,959**

b) Accumulated Depreciation	**Medical equipment**	**Furniture and Equipment**	**Leasehold Improvements**	**Right-of-use Assets**	**Total**
Balance, December 31, 2022	1,174	4,299	6,390	11,530	23,393
Depreciation	12	192	265	1,319	1,788
Reclassified as assets held for sale	-	(2)	-	-	(2)
Impairment	-	-	677	1,264	1,941
Impairment for discontinued operation	11	64	-	99	174
Lease modification	-	-	-	(121)	(121)
Disposal of subsidiary and assets	(920)	(1,779)	(3,837)	(7,072)	(13,608)
Balance, December 31, 2023	277	2,774	3,495	7,019	13,565
Depreciation	10	448	129	368	955
Assets Written Off		(237)			(237)
Impairment				850	850
Balance, September 30, 2024	**287**	**2,985**	**3,624**	**8,237**	**15,133**

c) Carrying Amounts	**Medical equipment**	**Furniture and Equipment**	**Leasehold Improvements**	**Right-of-use Assets**	**Total**
Balance, December 31, 2023	37	488	6	3,202	3,733
Balance, September 30, 2024	**55**	**825**	**962**	**1,984**	**3,826**

During 2023, the Company identified indicators of impairment within the MCI Medical Clinics Inc for Right-of-Use assets ("ROU") and leasehold improvements. As these are no longer used to generate income, the recoverable amount was determined to be nil therefore an impairment provision of $1,941 was recognized as at December 31, 2023.

During 2024, the Company identified indicators of impairment in a lease contract for Head Office classified as a ROU. Following an impairment assessment,
the Company determined that the carrying value of the ROU asset exceeded its recoverable by $850, and as a result recognized an impairment charge of $850 in the period ended September 30, 2024.

On May 1, 2024, the Company re-cycled its computer equipment having net book value of $229 on account of change in head office and sub-lease of 4881 Yonge Street, Suite 300, Toronto, Ontario M2N 5X3.

(In thousands of Canadian dollars, except per share amounts)

10 INTANGIBLE ASSETS AND GOODWILL

Intangible assets consist of the following:

a) Cost	**Physician Contracts**	**Customer Relationships**	**Favourable Contracts**	**Trademark**	**Goodwill**	**Software & Product Development**	**Total**
Balance, December 31, 2022	187	9,200	75	-	10,074	5,241	24,777
Reclassified as assets held for sale	-	-	-	-	(384)	-	(384)
Acquisition through business combination	-	1,300	-	1,050	8,120	5,375	15,845
Disposal of subsidiary and assets	(187)	-	(75)	-	(104)	-	(366)
Balance, December 31, 2023	-	10,500	-	1,050	17,706	10,616	39,872
Acquisition through business combination	-	3,714	-	-	57,387	6,303	67,404
Additions	-	-	-		-	1,784	1,784
Translation reserve		76	-	-	132	150	358
Balance, September 30, 2024	-	14,290	-	1,050	75,225	18,853	109,418

b) Accumulated Amortization	**Physician Contracts**	**Customer Relationships**	**Favourable Contracts**	**Trademark**	**Goodwill**	**Software & Product Development**	**Total**
Balance, December 31, 2022	187	1,563	75	-	-	1,631	3,456
Impairment	-	2,199	-	-	5,354	1,402	8,955
Impairment from discontinued operation	-	-	-	-	47	-	47
Disposal of subsidiary and assets	(187)	-	(75)	-	-	-	(262)
Amortization	-	1,001		9	-	1,855	2,865
Balance, December 31, 2023	-	4,763	-	9	5,401	4,888	15,061
Amortization	-	1,015	-	79	-	2,987	4,081
Balance, September 30, 2024	-	5,778	-	88	5,401	7,875	19,142

c) Carrying Amounts	**Physician Contracts**	**Customer Relationships**	**Favourable Contracts**	**Trademark**	**Goodwill**	**Software & Product Development**	**Total**
Balance, December 31, 2023	-	5,737	-	1,041	12,305	5,728	24,811
Balance, September 30, 2024	-	8,512	-	962	69,824	10,978	90,276

As at September 30, 2023, the Company identified indicators of impairment within its Khure Health Inc. ("Khure") cash-generating units (CGU) and tested for impairment. The Company determined that goodwill and customer relationships related to the Khure Health Inc. CGU was impaired and recognized an impairment loss of $5,199 for goodwill, $2,199 for customer relationships. Subsequent to the recognition of the impairment loss, the carrying value of the Khure goodwill is $nil.

During the nine month period ended September 30, 2024 the Company impaired $nil (2023-$1,402) of software.

The Company also tests whether goodwill has suffered any impairment on an annual basis. As at December 31, 2023, the Company determined that goodwill related to Onehealth Technologies Inc. CGU was impaired and recognized loss of $155. Subsequent to the recognition of the impairment loss, the carrying value of Onehealth Technologies Inc. goodwill is $nil.

The Company determined that there is no indicator of impairment on any of the CGUs at September 30, 2024 and will perform its annual impairment test as at December 31, 2024

	September 30, 2024	**December 31, 2023**
Polyclinic Group	4,185	4,569
Pentavere Research	8,120	8,120
Intrahealth	17,030	-
Biopharma	16,012	-
Verosource	24,477	-
Reclassified as asset held for sale	-	(384)
	69,824	12,305

(In thousands of Canadian dollars, except per share amounts)

11 INVESTMENTS IN EQUITY SECURITIES

The following table provides the carrying values of the Company's investments in financial assets measured at fair value through profit and loss as at September 30, 2024 and December 31, 2023. Financial asset investments include equity instruments that are measured at fair value through profit and loss (FVPL) in accordance with IFRS 9.

		September 30, 2024	December 31, 2023
Investment in Doctorly	11 (a)	487	410
Investment in Fund holding X.AI Securities	11 (b)	2,752	-
Investment in Securities	11 (c)	250	-
		3,489	410

11(a) In 2023, the Company invested $410 (US$300) to acquire 2,341 shares representing 1.16% of total outstanding shares in Doctorly GmbH ("Doctorly"). Doctorly is engaged in the design, building and selling of a next generation Electronic Health Record (EHR) system initially focused on continental European healthcare systems, and particularly Germany. Doctorly provides the software on a "System-as-a-Service" SaaS basis to healthcare clinics recognizing revenue on a subscription basis each month. During the period, the Company further invested $77 in the total outstanding shares of Doctorly. The fair value of the investment in Doctorly is $487 as of September 30, 2024 (December 31, 2023 - $410).

11(b) On May 09, 2024, the Company invested in a Think 1st Principles the fund with the opportunity to realize the long-term appreciation from investments in the securities of X.AI Corp ("X.AI"). The Company invested $2,752 (US$2,000) to acquire an indirect interest in less than 1% total outstanding shares in X.AI. The fair value of the investment in X.AI is $2,752 as of September 30, 2024. X.AI is an American startup company working in the area of artificial intelligence. The preceding investments were recognized as equity and debt instruments under IFRS 9 and are measured at fair value through profit and loss (FVPL). As they are private companies, the fair value of the shares of these companies was not readily determinable, and the fair value measurement of the assets has been categorized within Level 3 of the fair value hierarchy (Note 30(c)). The Company initially measured the investment at fair value equal to cost as the best estimate. As at September 30, 2024, the Company determined that the fair value of the investment approximated its cost.

11(c) On September 12, 2024, the Company invested in a company with the opportunity to realize the long-term appreciation from investments in the securities . The Company invested $250 (US$183) to acquire direct interest in less than 2% total outstanding shares in the securities. The company is a top provider of secure document exchange and digital vault solutions, specializing in delivering safe digital storage for financial services and wealth management firms to securely manage client documents. The fair value of the investment in the corporation is $250 as of September 30, 2024. The preceding investments were recognized as equity and debt instruments under IFRS 9 and are measured at fair value through profit and loss (FVPL). As this is a private company, the fair value of the shares of the company was not readily determinable, and the fair value measurement of the assets has been categorized within Level 3 of the fair value hierarchy (Note 30(c)). The Company initially measured the investment at fair value equal to cost as the best estimate. As at September 30, 2024, the Company determined that the fair value of the investment approximated its cost.

12 BUSINESS ACQUISITION

i) On February 1, 2024, the Company acquired 100% shares of Intrahealth Systems Limited, a corporation existing under the laws of New Zealand. Intrahealth is a digital health AI company with a patient identification solution that enables the early identification of serious health issues to enable people to live longer, healthier lives. The purchase consideration consists of the following amounts:

On Closing:

(a) The Company paid cash of $2,960, after adjustment working capital of $191.

(b) The Company issued 21,682,465 Subordinate Voting Shares valued in aggregate at $14,961. The Company booked $14,961 as part of share consideration based on a February 1, 2024 closing date value of $0.69 per share.

(c) The Company delivered five convertible principal amount, $1,000 each, promissory notes (the “VTB Note”) of the Company. The promissory notes', principal and interest are convertible at the sole and complete discretion of the holder at any time prior to the maturity date at a conversion price equal to the Value Weighted Average Price ("VWAP") of the Company's Subordinate Voting Shares for the 5 trading days prior to the payment date. The entire outstanding amount, including principal and interest, would be due over the 10 months following the closing date in either cash or shares.

(d) Deferred Purchase Amount of $642, to be settled in cash or deferred purchase shares at the complete discretion of the Company. The Company may satisfy the Deferred Purchase Amount by issuing Common Shares (the “Deferred Purchase Shares”) on the Deferred Payment Date at a deemed price per share that is equal to the VWAP immediately preceding the Deferred Payment Date.

ii) On July 1, 2024, the Company acquired 100% shares of Biopharma Services Inc ("Biopharma"), one of the largest full-service Contract Research Organizations (“CRO”) headquartered in Canada. Biopharma is focused on bioequivalence and early-stage clinical trials, with over 2,200 clinical trials completed to date with approximately 250 pharma clients since inception.

On Closing:

(a) Total cash consideration amounted to $4,553, after adjustment of working capital of $303k.

(b) The Company issued 2,599,496 Subordinate Voting Shares valued in aggregate at $6,499. The Company booked $6,499 as part of share consideration based on a July 1, 2024 closing date value of $2.5 per share.

(c) The Company delivered a $2,635 principal amount promissory note of the Company. Promissory notes of $2,635 is subject to interest at a rate of 13.0% and is payable one year of the Closing Date. The promissory note is measured at fair value at the date of acquisition. A 10% cost of debt was considered for the exercise based on Company's recent market borrowing rate.

d) Deferred purchase amount of $2,256 represents earnout payments contingent upon the earnings of the business for the three-year period after closing date and up to 50% of the amount can be settled through shares.

e) General indemnity holdback provision amount of $1,250.

f) Contingent consideration in the amount of $1,821, which is determined based on the movement in the consideration shares issued by the Company to the vendor. The contingent consideration can be settled in a combination of cash or Class A subordinate voting shares, at the option of the Company, to a maximum of 50% settled in shares (note 14).

(In thousands of Canadian dollars, except per share amounts)

iii) On July 1, 2024, the Company acquired 100% shares of Verosource Solutions Inc, a corporation incorporated provincially under the Business Corporations Act of New Brunswick. The company's principal business activity is the provision of information technology services and solutions, primarily in the healthcare sector.

On Closing:

(a) Total cash consideration amounted to $4,080, after working capital adjustments, of which $206 is payable at September 30, 2024.

(b) The Company issued 5,722,250 Subordinate Voting Shares valued in aggregate at $14,306. The Company booked $14,306 as part of share consideration based on a July 1, 2024 closing date value of $2.5 per share.

(c) The Company delivered a promissory note of $3,600 payable within 6 months of the Closing Date. Given maturity of the note fall within a year (January 2, 2025), the impact of timing of payment does not seem to be material. As such, the face value of the note amount is considered to be equal to its fair market value ("FMV").

d) Deferred purchase amount of $3,300 represents the fair value of earnout payments contingent upon the earnings of the business for the four-year period after closing date and upto 50% of the amount can be settled through shares.

e) General indemnity holdback provision amount of $385.

Biopharma and Verosource were acquired on July 1, 2024 and the Company is in process to assess the initial fair value assumptions used to value the intangible assets acquired as well as working capital adjustments given the short amount of time between the acquisition date and the reporting date.

The following table summarizes the Company's assessment of fair values, etc. of the identifiable assets and liabilities of Biopharma, Verosource and Intrahealth, including goodwill.

	Biopharma	**Verosource**	**Intrahealth**	
Acquisition date	**July 01, 2024**	**July 01, 2024**	**February 01, 2024**	**Total**
Accounts receivable and other current assets	4,156	833	1,508	6,497
Cash	278	1,096	772	2,146
Fixed assets	752	153	54	959
Other non-current assets	996	-	136	1,132
Software	1,392	22	4,889	6,303
Customer relationship	-	-	3,714	3,714
Total Assets	**7,574**	**2,104**	**11,073**	**20,751**
Accounts payable and other current liabilities	4,572	905	925	6,402
Deferred revenue	-	7	177	184
Deferred tax liability	-	-	2,280	2,280
Due to related parties	-	-	419	419
Total Liabilities	**4,572**	**912**	**3,801**	**9,285**
Total net identifiable assets	**3,002**	**1,192**	**7,272**	11,466
Goodwill	**16,012**	**24,479**	**16,897**	57,387
	19,014	**25,671**	**24,169**	**68,853**

(In thousands of Canadian dollars, except per share amounts)

Purchase Consideration				
Share consideration	6,499	14,306	14,961	35,766
Cash	4,553	4,080	2,960	11,593
Holdback	1,250	385	606	2,241
Promissory notes	2,635	3,600	5,000	11,235
Deferred payments	2,256	3,300	642	6,198
Contingent consideration	1,821	-	-	1,821
Total purchase consideration	**19,014**	**25,671**	**24,169**	**68,854**

Management continued to update its provisional PPA and as such has adjusted the intangible values by $8,911. Customer relations were reduced by $2,161 and Software was reduced by $6,750 for Intrahealth.

The acquisition was accounted for using the acquisition method in accordance with IFRS 3.

The goodwill recognized in connection with the acquisition of Intrahealth is primarily attributable to the broader access Intrahealth will have to deploy its technology in a bigger health care ecosystem by being a part of HEALWELL and intangible assets that do not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

For Intrahealth, Biopharma and Verosource, the Company is in process to assess the initial fair value assumptions used to value the intangible assets acquired and determine the goodwill given the short amount of time between the acquisition date and the reporting date. During three months and nine month ended September 30, 2024, changes were made in the value of intangibles and goodwill for Intrahealth.

The subisdiaries contributed the following during the period between the date of its acquisition and September 30, 2024

	Biopharma	**Verosource**	**Intrahealth**	
Date of acquisition	**July 01, 2024**	**July 01, 2024**	**February 01, 2024**	**Total**
Revenue	5,511	2,225	8,015	15,751
Net (loss)/profit	(2,281)	483	408	(1,390)

Had the acquisition been made at the beginning of the year the contributions would be as follows:

Revenue	16,534	6,675	9,017	32,226
Net (loss)/profit	(6,845)	(1,932)	459	(8,318)

The amortization period for the customer relationships is 10 years, and for software technology related intangibles is 3 years.

The acquisition costs related to Intrahealth, Biopharma and Verosource amounting to $104, $218 and $71, respectively. These costs are included in the general and administrative expenses.

(In thousands of Canadian dollars, except per share amounts)

13 CALL OPTIONS

On December 1, 2023 a separate Shareholders Agreement ("SA") was entered into as part of the acquisition of Pentavere and the Company . As per the SA that within the 48-month period from the date of the agreement the Company shall have the right, but not the obligation to deliver one or more non-binding notices to the representative of all of the shareholders of the Company other than the Company (the "non-HEALWELL Shareholders") of its notice to purchase all (but not less than all of the shares, warrants, options or rights, or securities convertible or exchangeable into securities for a purchase price ("Call Option"). The purchase price payable by the Company to the non-HEALWELL Shareholders is the total number of Call option securities multiplied by the Per Share FMV that is defined in the SA to be (i) up to the first anniversary of the SA the greater of: (a) $20,000 and (b) 10 times the 2x gross profit from the trailing six-month period as per Pentavere's financial statements according to IFRS, (ii) from the day following the first anniversary until the second anniversary of the SA, the greater of : (a) $30,000 and (b) 7.5x the 2x gross profit from the trailing six-month period, and (iii) from the day following the second anniversary of SA until the end of the fourth anniversary, the value obtained through the valuation process set out in the SA in Schedule C, i.e., a "baseball style arbitration" approach. The Company modeled the probability of achieving the milestones associated with the call option and used the Black Scholes method to model the option itself to arrive at a fair value of $600 as at September 30, 2024 (December 31, 2023 $1,500). During the three month and nine month period ended, the change in fair value of $250 and $900 has been recognized in the statement of profit (loss) and comprehensive income (loss) respectively.

14 CONTINGENT CONSIDERATION

		September 30, 2024	December 31, 2023
Balance as at January 1	i	260	1,637
Changes in fair value loss for contingent consideration	i & iii	150	223
Issuance of shares upon achievement of revenue targets		-	(1,600)
Earn-out contingent consideration	ii	5,556	-
Contingent consideration	iii	1,821	-
Balance as at		7,787	260
Less: current portion		(3,707)	-
		4,080	260

i) At the time of acquisition of Khure, a portion of the total consideration up to a maximum of $5,600, payable in Subordinate Voting Shares, was subject to an earn-out arrangement over an earn-out period ending December 23, 2023. The final earn-out payable will be determined based on multiple post-acquisition period revenue targets as specified in the transaction agreements. During the year ended December 31, 2022, the second earn-out target was achieved. Under the terms of the purchase and sale agreement, the Company was required to issue Subordinate Voting Shares equal to $1,600 divided by the volume weighted average market price of the Company’s shares at the time of issuance. On February 15, 2023, the Company issued 3,035,657 Subordinate Voting Shares from treasury in consideration of achieving the second earn-out milestones agreed to in the Khure transaction agreements, valued at $2,277. In connection with the settlement of the contingent liability, the Company recognized a loss of $677 for 2023 in the statement of loss and comprehensive loss.

On July 12, 2023, the Company entered into an agreement with Khure to extend the time to achieve the third and final earn-out milestone from December 23, 2023, to December 31, 2025.

The determination of the fair value of contingent consideration is primarily based upon the Company’s expectations of the amount of revenue to be achieved by Khure. During the year ended December 31, 2023, the Company recognized changes in fair value of loss of $223 resulting from the change in fair value of the contingent consideration.

(In thousands of Canadian dollars, except per share amounts)

As of September 30, 2024, the Company recognized loss due to change in fair value of the contingent consideration of $20.

ii) Deferred purchase/Earn-out contingent consideration amount of $3,300 for Verosource represents the fair value of earnout payments contingent upon the earnings of the business for the four-year period after closing date and up to 50% of the amount can be settled through shares.

Deferred purchasee/Earn-out contingent consideration amount of $2,256 for Biopharma represents earnout payments contingent upon the earnings of the business for the three-year period after closing date and up to 50% of the amount can be settled through shares.

iii) As part of the purchase consideration for the Biopharma acquisition (Note 12), the Company recognized a contingent consideration liability, which is to be settled twelve (12) months from the issuance date of any consideration shares, with the liability determined based on fluctuations in the value of consideration shares 12 months after issuance, to a maximum of 45% of the consideration share value. The fair value of the liability was estimated using an option pricing model for the consideration on acquisition, carried at fair value through profit and loss, which included assumptions about the volatility of the share price. As at September 30, 2024, the Company recognized a loss of $130 on the contingent consideration

15 Accounts payable and accrued liabilities

	September 30, 2024	December 31, 2023
Trade & Other Payables	4,007	3,931
Income taxes Payables	420	19
Accrued Liabilities	4,590	1,979
Deposits	49	49
	9,066	5,978

16 Acquistions related payables

		September 30, 2024	December 31, 2023
Promissory notes	**12**	6,235	-
Holdback Biopharma		1,250	-
Holdback Verosource		385	-
Holdback Pentavere		-	443
		7,870	443

17 Leases

The Company leases various clinic spaces for its operations and subleases its excess office and clinic spaces to subtenants. Rental contracts are typically made for fixed periods of 5 to 12 years. Extension options are included in the majority of leases for clinic space and typically range from 5 to 10 years. These terms are used to maximize operational flexibility in terms of managing the Company's clinic space. For the majority of its leases with renewal options, the Company has not included lease payments under extension options, as it is not reasonably certain that renewal options on those leases will be exercised. Substantially all the property leases contain variable lease payments for operating costs that are based on actual costs incurred by the lessor. The variable operating costs do not depend on an index or a rate and are recognized as an expense in the period they are incurred.

The Company's lease liability and lease receivable as at September 30, 2024, and December 31, 2023, are as follows:

(In thousands of Canadian dollars, except per share amounts)

	September 30, 2024	**December 31, 2023**
Lease liability – current	533	1,010
Lease liability – non-current	3,831	4,264
Total Lease liability	4,364	5,274
Lease receivable – current	36	126
Lease receivable – non-current	225	249
Total Lease receivable	261	375

Amounts recognized in the condensed interim consolidated statement of profit (loss) and comprehensive Income (loss):

	Three month ended September 30, 2024	**Three month ended September 30, 2023**	**Nine month ended September 30, 2024**	**Nine month ended September 30, 2023**
Expenses relating to variable lease payments	219	353	489	787
Lease income from operating leases	14	34	43	51
Interest income on subleases	4	1	8	2

Lease Liability

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

	Note	**September 30, 2024**	**December 31, 2023**
Balance - Beginning		5,274	10,420
Lease modification		-	(98)
Business combination		1,075	181
Disposal of subsidiary and clinics		-	(3,429)
Interest expense from continuing operations		102	149
Interest expense from discontinued operations		19	160
Termination	16.1	(1,252)	-
Lease cash payments		(854)	(2,109)
Balance - Ending		4,364	5,274

The maturity analysis of lease liabilities at September 30, 2024, is as follows:

Minimum lease payments due	**< 1 year**	**2 – 5 years**	**>5 years**	**Total**
Lease payments	1,234	2,880	771	4,885
Finance charges	(165)	(288)	(68)	(521)
Lease liabilities	1,069	2,592	703	4,364

(In thousands of Canadian dollars, except per share amounts)

Net Investment in Subleases

Rental contracts for subleases are typically made for fixed periods of 1 to 10 years but may have extension options ranging from 5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at September 30, 2024, and December 31, 2023, the Company had sublease contracts for 7 spaces, with an average remaining life to expiry (including extension term) of 1.30 years (2023-1.45 years).

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

	September 30, 2024	December 31, 2023
Balance-Beginning	375	1,253
Disposal	-	(543)
Interest income from continuing operations	-	15
Interest income from discontinued operations	-	13
Lease cash recoveries	(114)	(363)
Balance - Ending	261	375

As at September 30, 2024, the minimum rent expected to be received under net investment in subleases is as follows:

2024	14
2025	57
2026	57
2027	57
2028	57
More than five years	43
	285
Unearned finance income	(24)
	261

During the nine month period ended September 30, 2024, the Company entered into an agreement to sub-lease space for a five year period. The rent per annum will start at $49 per annum from October 1, 2024 and increase over 5 years, ending at $79 per annum.

During 2024, the Company entered into settlement agreements with several landlords to settle the Company's outstanding obligations under certain lease agreements. After the Company made the settlement payments as per the applicable settlement agreements, the parties irrevocably agreed that the lease is hereby terminated and their affiliates will have no further obligation under or in respect of that lease as of the effective date of the settlement agreements. Accordingly, the Company has derecognized the related liabilities which results in a gain on settlement of $3,088.

18 Non-Controlling interest redeemable liability

On June 17, 2024, MCI Polyclinic Group Inc. ("MCI Polyclinic") acquired, for the purpose of cancellation, all of the issued and outstanding Class B common shares in the capital of MCI Polyclinic held by HNE. The purchase of its own shares by MCI Polyclinic from HNE and their subsequent cancellation resulted in change in ownership interest of HEALWELL in MCI Polyclinic and its subsidiaries from 80% to 100%. The non-controlling interest previously recognized as a redeemable liability in the consolidated financial statements has been derecognized directly in the equity on account of settlement of the NCI 20% share in MCI Polyclinic.

The carrying amount as of September 30, 2024, is $ nil (December 31, 2023- $1,282).

(In thousands of Canadian dollars, except per share amounts)

19 DEBENTURE PAYABLE

		September 30, 2024	December 31, 2023
Balance as at January 1, 2024		6,217	-
Debenture issuance		-	10,000
Conversion feature		-	(1,964)
Share warrants		-	(1,932)
Issuance cost		-	(190)
Accrued interest		906	303
Converted into shares		(715)	-
Balance as at September 30, 2024		6,408	6,217
Liability component		6,408	6,217
Reclass to Debenture payable to WELL Health Technologies Corp	8	(2,868)	(2,511)
Reclass to Debenture payable to Management and Board member	8	(867)	(774)
		2,673	2,932

The debentures bear interest at a rate of 10% per annum and mature 5 years from the closing date of October 1, 2023. The principal and interest outstanding under the debentures are convertible into Subordinate Voting Shares at $0.20/share, and for every $1 of debentures purchased, subscribers also received 5 warrants for Subordinate Voting Shares exercisable at $0.20/share.

As the conversion feature results in the conversion of a fixed amount of stated principal into a fixed number of shares, it satisfies the ‘fixed for fixed’ criterion and, therefore, it is classified as an equity instrument.

The Company receives a fixed amount of cash in exchange for issuing a predetermined number of equity shares with each warrant corresponding to one share. Warrants associated with the debentures are classified as equity. The debentures have 2 features – the debenture itself and the conversion feature. The fair value of the liability component, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 20.5%. Debentures are classified as a financial liability whereas the conversion feature is classified as equity.

As of September 30, 2024, the Company was compliant with all covenants of the debentures.

20 LOANS

As at September 30, 2024 the company was in compliance with all covenants in respect of its loan facilities.
Pentavere Research Group Inc. has a loan payable from BDC Canada bearing interest at the lender's floating base rate plus 4.4%

21 SHARE CAPITAL

(a) Authorized:

The authorized share capital of the Company is an unlimited number of Class A Subordinate Voting Shares, an unlimited number of Class B Multiple Voting Shares and an unlimited number of Preferred Shares.

(In thousands of Canadian dollars, except per share amounts)

(b) Issued:

	Class A Subordinate Voting Shares		Class B Multiple Voting Shares
	No. of Shares	Amount	
Balance-December 31, 2022	**50,075,202**	**39,787**	**36,000,000**
Settlement of liability for contingent	3,035,657	2,277	
Issuance of Subordinate shares for achieving of earn-out target-Khure	758,914	400	
Share issuance, net of share issuance costs	27,708,400	16,659	
Share warrants		1,932	
Issuance of Subordinate shares for Pentavere acquisition	5,705,664	5,592	
Issuance of Subordinate shares for settlement of DSU and RSUs	702,953	721	
Cancelled during the year			**(5,200,000)**
Balance- December 31, 2023	**87,986,790**	**67,368**	**30,800,000**

	Class A Subordinate Voting Shares		Class B Multiple Voting Shares
	No. of Shares	Amount	
Balance-December 31, 2023	**87,986,790**	**67,368**	**30,800,000**
Issuance of Subordinate Voting Shares against warrants excercised	26,318,088	9,737	
Issuance of Subordinate Voting Shares for acquisition of Intrahealth	21,682,465	14,961	
Issuance of Subordinate Voting Shares for acquisition of Verosource	5,722,250	14,305	
Issuance of Subordinate Voting Shares for acquisition of Biopharma	2,599,496	6,499	
Share issuance, net of share issuance costs	14,815,000	18,751	
Issuance of Subordinate Voting Shares against conversion of debentures	5,641,838	1,001	
Issuance of Shares against release of services	850,000	2,057	
Issuance of Subordinate Voting Shares against RSU,PSU & DSU	263,750	198	
Balance- September 30, 2024	**165,879,677**	**134,877**	**30,800,000**

On January 26, 2024, the Company issued 350,000 Subordinate Voting Shares against conversion of debenture payables.

On January 26, 2024, the Company issued 187,500 Subordinate Voting Shares against conversion of debenture payables.

On February 1, 2024, the Company issued 21,682,465 Subordinate Voting Shares to WELL Health Technologies Corp. as part of purchase consideration of Intrahealth acquisition.

On February 13, 2024, the Company issued 1,008,849 Subordinate Voting Shares against conversion of debenture payables and exercised of warrants of 258,849 and 750,000, respectively.

On February 23, 2024, the Company issued 1,761,645 Subordinate Voting Shares against conversion of debenture payables and exercised of warrants of 1,561,645 and 200,000, respectively.

On February 28, 2024, the Company issued 100,000 Subordinate Voting Shares against conversion of debenture payables.

On March 14, 2024, the Company issued 78,267 Subordinate Voting Shares against conversion of debenture payables.

On March 14, 2024, the Company issued 40,000 Subordinate Voting Shares to the Broker against warrants exercised at $0.80 per share.

On May 22, 2024, the Company issued a total of 14,815,000 Subordinate Voting Shares pursuant to a private placement at a price of $1.35 per share for gross proceeds of $20,000. The Company granted 7,407,500 initial warrants and 586,677 compensation warrants to the underwriters of the private placement, along with initial warrants with each warrant exercisable to acquire one Subordinate Voting Share at a price of $1.80 per share and $1.35 per share for a period of 24 months following closing of the private placement. The Company used the Black Scholes method and determined the fair value at $1.01 and $1.10 of initial warrants and broker warrants was $4,756. The Company incurred share issuance cost $882 including compensation warrants.

On April 8, 2024, the Company issued 90,000 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

On April 17, 2024, the Company issued 181,085 Subordinate Voting Shares against warrants exercised at $0.75 and $0.80 per share.

On April 29, 2024, the Company issued 359,637 Subordinate Voting Shares against conversion of debenture payable.

On May 10, 2024, the Company issued 100,000 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

In April 2024, the Company issued 854,450 Subordinate Voting Shares against exercise of warrants at $1.20 per share.

On May 16, 2024, the Company issued 102,812 Subordinate Voting Shares to the Broker against warrants exercised at $0.80 per share.

On May 27, 2024, the Company issued 206,466 Subordinate Voting Shares against conversion of debenture payable.

On May 27, 2024, the Company issued 104,970 Subordinate Voting Shares to the Broker against warrants exercised at $0.75 per share.

On May 30, 2024, the Company issued 175,000 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

On May 30, 2024, the Company issued 454,871 Subordinate Voting Shares to the Broker against warrants exercised at $0.75 per share.

In May 2024, the Company issued 586,025 Subordinate Voting Shares against exercise of warrants at $1.20 per share.

On June 06, 2024, the Company issued 50,000 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

On June 11, 2024, the Company issued 375,000 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

On June 12, 2024, the Company issued 855,918 Subordinate Voting Shares against conversion of debenture payable.

On June 12, 2024, the Company issued 2,330,000 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

On June 13, 2024, the Company issued 133,425 Subordinate Voting Shares against conversion of debenture payable.

On June 13, 2024, the Company issued 3,687,500 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

(In thousands of Canadian dollars, except per share amounts)

On June 14, 2024, the Company issued 6,787,500 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

On June 19, 2024, the Company issued 772,150 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

On June 26, 2024, the Company issued 5,000,000 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

In June 2024, the Company issued 1,972,125 Subordinate Voting Shares against exercise of warrants at $1.20 per share.

In July 2024, the Company issued 89,250 Subordinate Voting Shares against exercise of warrants at $1.20 per share.

In August 2024, the Company issued 22,500 Subordinate Voting Shares against exercise of warrants at $1.20 per share.

In July 2024, the Company issued 450,805 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

In August 2024, the Company issued 129,545 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

In August 2024, the Company issued 850,000 Subordinate Voting Shares against full and final release of services.

In September 2024, the Company issued 100,000 Subordinate Voting Shares against exercise of warrants at $0.20 per share.

(c) Warrants

The following table summarizes grants of share warrants issued as broker compensation for equity bought deal financings, debenture warrants as part of October 1, 2023 debenture financing and the warrants issued as part of December 2023 and May 2024 bought deal equity financings:

Share warrants issuance date	Share warrants	Exercise price	Fair value	Exercised	Net Outstanding
October 17, 2023 Broker warrants	699,801	0.75	0.52	699,801	-
December 22, 2023 Broker warrants	862,500	0.80	0.49	183,937	678,563
December 22, 2023 Bought deal	7,187,500	1.20	0.52	3,524,350	3,663,150
October 1, 2023 Debenture warrants	50,000,000	0.20	0.20	21,910,000	28,090,000
May 22, 2024 Broker warrants	586,677	1.35	1.10	-	586,677
May 22, 2024 Initial warrants	7,407,500	1.80	1.01	-	7,407,500
September 30, 2024	**66,743,978**	**-**	**-**	**26,318,088**	**40,425,890**

The fair value of each warrants issued was estimated at the time of issuance using the Black-Scholes model. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a warrants based on the following weighted assumptions at the measurement date:

	2024	**2023**
Risk free rate	4.15%	4.05% - 4.83%
Expected life (years)	2	2
Volatility	121.51%	140.08% - 140.29%
Underlying stock price	$1.65	$0.72 - $0.75
Strike price	$1.35 - $1.8	$0.75 - $1.8

(In thousands of Canadian dollars, except per share amounts)

22 SHARE BASED PAYMENT ARRANGEMENTS

As of September 30, 2024, the Company had the following share-based payment arrangements:

(a) Stock Option Plan:

On January 8, 2024, the Company granted an aggregate of 100,000 PSUs, each settleable for one Subordinate Voting Share, to key personnel.

On January 8, 2024, the Company granted an aggregate of 100,000 RSUs, each settleable for one Subordinate Voting Share, to key personnel.

On April 15, 2024, the Company granted an aggregate of 1,296,758 RSUs, each settleable for one Subordinate Voting Share, to key personnel.

On April 15, 2024, the Company granted an aggregate of 521,250 PSUs, each settleable for one Subordinate Voting Share, to key personnel.

On April 15, 2024, the Company granted an aggregate of 101,841 DSUs, each settleable for one Subordinate Voting Share, to key personnel.

On June 18, 2024, the Company granted an aggregate of 423,084 RSUs, each settleable for one Subordinate Voting Share, to key personnel.

On July 03, 2024, the Company granted an aggregate of 150,000 RSUs, each settleable for one Subordinate Voting Share, to key personnel.

On July 03, 2024, the Company granted an aggregate of 150,000 PSUs, each settleable for one Subordinate Voting Share, to key personnel.

On July 3, 2024, the Company granted an aggregate of 820,000 options, each settleable for one Subordinate Voting Share, to key personnel.

On August 30, 2024, the Company granted an aggregate of 790,064 RSUs, each settleable for one Subordinate Voting Share, to key personnel.

On August 30, 2024, the Company granted an aggregate of 100,000 options, each settleable for one Subordinate Voting Share, to key personnel.

Fair value of stock options granted:

The fair value of each option granted was estimated at the time of grant using the Black-Scholes option pricing model. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on the following weighted assumptions at the measurement date:

	December 31, 2023
Risk free rate	4.05%
Expected life (years)	4-5
Volatility	124.01%
Underlying stock price	$0.55-$0.75
Strike price	$0.69-$0.75

Fair value of modification of stock options:

The fair value of each modification stock option granted was estimated at the time of modification using the Black-Scholes option pricing model. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a modification of call or a put option. There is no modification were made during the nine months ended September 30, 2024.

	December 31, 2023
Risk free rate	4.26%-4.78%
Expected life (years)	4
Volatility	130%-140%
Underlying stock price	$0.55
Strike price	$0.69-$5

The following table outlines the activity for stock options for the Nine months ended September 30, 2024, and 2023:

	September 30, 2024		September 30, 2023	
	Number of options (000s)	Weighted average exercise price	Number of options (000s)	Weighted average exercise price
Outstanding-January 1,	2,304	4.40	4,701	3.85
Granted	920	2.34	-	-
Cancelled	-	-	(855)	3.66
Forfeited	(243)	3.10	(1,467)	3.66
Settled	(48)	3.00	-	-
Outstanding-September 30	2,933	4.46	2,379	4.04

There were 1,403,124 options vested or exercisable as at September 30, 2024 (2023- 1,061,500). The following table, provides the outstanding options at their respective exercise prices and the related weighted average remaining contractual life:

Exercise Price	Number of outstanding	Weighted average remaining contractual life (years)
	(000s)	
$1.36	81	1.30
$0.69	1,932	4.25
$2.39	820	2.39
$1.92	100	1.92
	2,933	3.57

The following table summarizes grants of stock options:

Grant date	Granted	Settled	Cancelled	Forfeited	Modified	Outstanding
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
January 6, 2021	3,420	-	(1,355)	(605)	(1,460)	-
May 18, 2021	528	-	-	(422)	(106)	-
June 29, 2021	400	-	-	(400)	-	-
September 10, 2021	95	-	-	-	(95)	-
April 8, 2022	645	(10)	-	(244)	(310)	81
October 5, 2022	635	-	-	(485)	(150)	-
September 30, 2023	-	(38)	-	(151)	2,121	1,932
July 3, 2024	820	-	-	-	-	820
August 30, 2024	100	-	-	-	-	100
Balance-September 30, 2024	6,643	(48)	(1,355)	(2,307)	-	2,933

No stock options expired during the quarter ended September 2024 as none will expire until 2025 (2023 – nil)

(b) DSUs, RSUs and PSUs

The Company grants Deferred shares units (DSUs) to the members of the Board of Directors as part of their annual remuneration for the services rendered as directors on the Company's Board and Committees and may also award one-time grants of DSUs to its directors in connection with major events, such as its going-public transaction in January 2021. The Company also grants Restricted Shares Units (RSUs) to employees and contractors. The amount of the DSU or RSU award payable is based on the number of units outstanding multiplied by the share price of the Company at the date of the payout. For equity settled DSUs and RSUs, the fair value of the award is recorded as an expense at the grant date. To date, all RSUs and DSUs that have been awarded by the Company have been equity-settled.

The Company also grants PSUs to key employees as part of their long-term incentive compensation. The fair value of the Performance shares units (PSUs) is recorded as an expense at the grant date based on assessing the performance criteria associated with the PSUs and adjusted quarterly depending on likely achievement of the performance criteria associated with the PSUs. PSUs are equity settled.

(In thousands of Canadian dollars, except per share amounts)

Grant date	Vesting period	RSUs	PSUs	DSUs	Vested	Net Outstanding
September 10, 2021	Fully vested	-	-	22,900	22,900	22,900
April 8, 2022	Fully vested	-	-	85,293	85,293	85,293
September 30, 2023	Fully vested	-	-	168,115	168,115	168,115
September 30, 2023	1/3 per year	850,000	-	-	316,666	850,000
September 30, 2023	1/3 per year	-	850,000	-	-	850,000
October 23, 2023	1/3 per year	-	325,000	-	-	325,000
October 23, 2023	1/3 per year	395,000	-	-	-	395,000
April 15, 2024	1/3 Per Year	473,313	281,250	-	-	754,563
April 15, 2024	1/3 Per Year (From July 14, 2023)	134,735	-	-	32,662	134,735
April 15, 2024	100% on April 15, 2025	240,000	-	-	-	240,000
April 15, 2024	100% on April 6, 2025	73,475	-	-	-	73,475
April 15, 2024	100% on Dec 15, 2024	-	240,000	-	-	240,000
April 15, 2024	100% on Jan 1, 2025	26,241	-	-	-	26,241
April 15, 2024	100% on July 14, 2024	48,994	-	-	48,994	48,994
April 15, 2024	Quarterly (From Jan 1, 2024)	-	-	101,841	71,380	101,841
April 15, 2024	100% on Nov 30, 2024	62,500	-	-	-	62,500
June 18, 2024	1/3 Per Year	423,084	-	-	-	423,084
August 30, 2024	1/6 (2024: Oct 24, 2025: Jan 24, Apr 24, Jul 24, Oct 24, 2026: Jan 24)	500,000	-	-	-	500,000
August 30, 2024	1/4 (2024: Oct 1, 2025: Jan 1, Apr 1)	86,250	-	-	-	86,250
August 30, 2024	1/4 (2024: Oct 17, 2025: Jan 17, Apr 17, Jul 17)	83,333	-	-	-	83,333
August 30, 2024	1/4 (2024: Feb 21, May 21, Nov 21, 2025: Feb 21)	120,481	-	-	60,241	120,481
August 30, 2024	1/3 Per Year (From May 01, 2024)		150,000	-	-	150,000
July 03, 2024	1/3 Per Year (From May 01, 2024)	150,000				150,000
September 30, 2024		**3,667,406**	**1,846,250**	**378,149**	**806,251**	**5,891,805**

On April 08, 2022, the Company issued 203,674 equity settled DSUs to directors. The closing price of the Subordinate Voting Shares on April 8, 2022 was $1.31.

(In thousands of Canadian dollars, except per share amounts)

23 OPERATING EXPENSES BY NATURE

	Note	Three months ended September 30		Nine months ended September 30	
		2024	**2023**	**2024**	**2023**
Salaries and other short-term employee benefits		4,072	602	8,008	2,802
Research and development		181	911	1,897	3,461
Sales and marketing		2,875	319	5,138	959
Office expenses		-	-	991	-
Professional and accounting		2,073	1,270	5,033	2,937
Insurance		369	164	640	547
Technology and communication expenses		616	2	1,411	(29)
Stock compensation		3,237	1,398	4,420	2,239
Public company expenses		622	88	1,504	303
Depreciation and amortization expense		1,154	36	2,534	348
Impairment of goodwill and intangibles		-	-	-	7,629
Impairment of ROU	9	-	-	850	-
Management fees		-	-	55	-
Others		833	(35)	1,838	175
Expenses from continuing operations		**16,032**	**4,755**	**34,319**	**21,370**
Salaries and other short-term employee benefits		-	1,951	72	5,840
Sales and marketing		-	18	-	42
Office expenses		-	428	20	1,169
Professional and accounting		-	145	2	434
Insurance		-	44	-	121
Technology and communication expenses		-	28	-	199
Depreciation and amortization expense		-	203	2	989
Others		-	94	23	130
Expenses from discontinued operations		**16,032**	**7,666**	**34,438**	**30,294**

24 FINANCING EXPENSES

Financing expenses consist of the following:

	Three months 2024	Three months 2023	Nine months 2024	Nine months 2023
Interest on lease liabilities	50	36	102	100
Interest on lease receivables	(2)	(4)	(8)	(12)
Interest income	(156)	-	(483)	-
Interest on related party loan	159	334	1,294	-
Interest, bank charges and fees	174	205	110	1,054
Financing from continuing operations	**383**	**575**	**1,506**	**1,154**
Financing from discontinued operations				
Interest on lease liabilities	-	42	19	346
Interest on lease receivables	-	(2)	-	(29)
Interest, bank charges and fees	-	-	-	59
	383	**615**	**1,525**	**1,530**

(In thousands of Canadian dollars, except per share amounts)

25 INCOME TAXES

Income taxes consists of the following:

	Three months ended September 30		Nine months ended September 30	
Continuing operation	**2024**	**2023**	**2024**	**2023**
Current income tax	143	-	361	-
Deferred tax recovery	(376)	(251)	(1,359)	(1,195)
	(233)	(251)	(998)	(1,195)
Discontinued operation				
Current income tax	-	33	5	77
	-	33	5	77
Total	**(233)**	**(218)**	**(993)**	**(1,118)**

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:

	Three months ended September 30		Nine months ended September 30	
Continuing operation	**2024**	**2023**	**2024**	**2023**
Income(Loss) before income tax	(8,813)	(7,896)	(13,335)	(27,283)
Effective income tax rate	26.5%	26.5%	26.5%	26.5%
Expected income tax recovery	(2,335)	(2,092)	(3,534)	(7,230)
Permanent difference	698	3,193	1,588	5,027
Intangibles	(10,276)	1	(10,276)	(14)
Deferred tax assets not recognized	15,465	(1,353)	15,606	2,020
Others	(3,785)	-	(4,382)	(998)
	(233)	(251)	(998)	(1,195)
Discontinued operation				
Income(Loss) before income tax	-	(65)	20	1,120
Effective income tax rate	26.5%	26.5%	26.5%	26.5%
Expected income tax recovery	-	(17)	5	297
Permanent difference	-	50	-	(220)
	-	33	5	77
Total	(233)	(218)	(993)	(1,118)

Deferred tax assets consist of:

	September 30, 2024	December 31, 2023
Leases (includes PP&E)	708	116
Security issuance expenses	778	922
Non-capital loss carry forward	17,998	11,736
Net-capital loss carried forward	9	9
SR&ED expenditure pool	12,261	1,986
Deferred tax assets not recognized e	(30,215)	(13,633)
Others	6	9
	1,545	1,145
Deferred tax liabilities consist of:		
Property and equipment	(37)	(62)
Intangibles	(4,453)	(3,107)
	(4,490)	(3,169)

(In thousands of Canadian dollars, except per share amounts)

Included in deferred tax asset and liabilities is $3,899 (December 31, 2023 - $3,032) that arose from business combination.

Deferred tax assets not recognized relate to non-capital loss and deferred financing costs of one of the legal entities where it is not certain that deferred tax asset on these tax attributes will be realized based on future profits generated by that entity.

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

2033	96
2035	-
2036	-
2037	-
2038	-
2039	822
2040	753
2041	13,453
2042	18,860
2043	23,425
2044	10,907
Unlimited	1,395
	69,711

The company also has a Scientific Research & Experimental Development ("SR&ED") expenditure pool of $8,834 (December 31, 2023, of $7,492) which can be carried forward for future years and which do not expire.

26 NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

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

	September 30, 2024	September 30, 2023
Accounts receivable	(810)	1,657
Other assets	(3,162)	29
Accounts payable and accrued liabilities	(2,634)	(275)
	(6,606)	1,411

27 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 include the members of the executive team. The remuneration of these individuals was as follows:

	Nine months ended September 30	
	2024	2023
Salary, wages and benefits	1,099	685
Management fee	267	-
Share based compensations	765	838
	2,131	1,523

(In thousands of Canadian dollars, except per share amounts)

28 Contingencies

In October 2019, a claim was lodged against MCI Medical Clinics Inc., a subsidiary of the Company, asserting that it had breached a lease agreement for a clinic. The matter is currently being considered by the courts, such that the Company now expects judgment in 2025. The Company considers it to be too early to make a determination as to the outcome of this claim and has therefore not recognized a provision in relation to this claim. If there was an adverse decision related to the lawsuit, the potential undiscounted amount of the total payments that the Company could be required to make is estimated to be approximately $3,000.

29 Earnings per share

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

	Three months ended September 30		Nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Net loss attributable to Company shareholders				
Continuing Operations	(10,573)	(6,681)	(12,820)	(25,023)
Discontinued Operations	-	(1,110)	(54)	(41)
	(10,573)	(7,791)	(12,874)	(25,064)
Weighted average number of Class A Subordinate Voting Shares	162,665,311	53,869,773	157,020,376	50,090,760
Basic and diluted loss per share-Continuing operations	(0.06)	(0.12)	(0.08)	(0.50)
Basic and diluted loss per share-Discontinued operations	-	(0.02)	(0.0003)	(0.00)
Basic and diluted loss per share	(0.06)	(0.14)	(0.08)	(0.50)

30 Depreciation and amortization

The following table presents total depreciation and amortization by function:

	Three months ended September 30		Nine months ended September 30	
Continuing Operations	**2024**	**2023**	**2024**	**2023**
Cost of revenue	448	158	1,341	475
Sales and marketing	282	248	846	743
Research and development	-	274	313	822
General and administrative	1,154	36	2,534	348
	1,884	716	5,034	2,388
Discontinued operations				
General and administrative	-	203	2	989
	1,884	919	5,036	3,377

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various risks through its financial instruments. The following analysis provides a summary of the Company's exposure to and concentrations of risk at September 30, 2024:

(In thousands of Canadian dollars, except per share amounts)

a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages this risk by managing its working capital and ensuring that sufficient credit is available. The following are the contractual maturities of financial liabilities as at September 30, 2024:

	September 30, 2024		
	< 1 year	2 – 5 years	Over 5 years
Lease liabilities	1,069	2,592	703
Accounts payable and accrued liabilities	9,066	-	-
Acquistions related payables	7,870	-	-
Loan payable	-	1,581	-
Related party loan	7,191	4,341	-
Debenture payable	-	2,673	-
Liability for contingent consideration	3,707	4,080	-
	28,903	**15,267**	**703**

The Company has assessed that it is currently exposed to liquidity risk due to its negative cash flow from operations and risk in achieving cost reductions. In addition, the Company has working capital of ($1,066) as at September 30, 2024, however when taking into account the ability to settle certain liabilities by issuance of shares, the working capital is $788. The Company expects to be able to meet its obligations as they become due in the normal course of business for at least the next twelve months from September 30, 2024

	December 31, 2023		
	< 1 year	2 – 5 years	Over 5 years
Lease liabilities	2,001	2,600	673
Accounts payable and accrued liabilities	5,978	-	-
Acquistions related payables	443	-	-
Bank loan	-	1,737	-
Related party loan	672	10,509	-
Debenture payables	-	10,000	-
Non-controlling interest redeemable liability	-	1,282	-
Liability for contingent consideration	-	260	-
Other liabilities	96	-	-
	9,190	**26,388**	**673**

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Company's main credit risks relate to its accounts receivable, net investments in subleases and loan receivable. The Company has a low concentration of credit risk as 56% (2023 - 55%) of its accounts receivable are due from branches of provincial governments for public health services. The Company's remaining accounts receivable and its net investment in subleases are well diversified among a range of corporations, individual patients and tenants.

The Company performed expected credit loss calculations and adjusted the allowance for expected credit losses based on the ability of its tenants to pay their obligations on a timely basis and due to increased exposure from receivables with non-government customers which have limited historical loss information.

Receivables from Government Customers

The Company's receivables from government customers arise from the provision of public health services to patients in the provinces of Ontario and British Columbia, as well as government institutions in New Zealand. The Company has assessed the credit risk associated with its receivables from branches of provincial governments as low due to strong provincial credit ratings and a history of collection; thereby lowering the risk of default. The Company has never experienced a credit loss and does not reserve against its government receivables.

Receivables from Non-Government Customers

(i) Clinical research and patient services: Clinical research and patient services receivables from non-government customers arise from the provision of health services that are not covered by the provincial governments and includes amounts due from the Workplace Safety and Insurance Board, individual patients, corporate clients and private insurers. The Company's historical loss percentage for these receivables is low.

(ii) AI and data sciences and Health care software: It is comprised primarily of larger Fortune 500 corporations that purchase insurance plans for their employees or pay the Company directly. To date, Healwell has never had a credit loss from privately insured customers; however, given the lack of historical loss information in this subcategory, the Company believes that any credit losses will approximate the historical credit losses of its receivables from non-government customers at clinics.

Receivables from Subtenants

The Quit Clinics Inc. sublets space to healthcare suppliers such as medical testing laboratories, pharmacies, physiotherapists, chiropractic clinics, wellness providers and other similar or related services. These receivables have the highest risk of default for the Company as the tenant is typically an individual or small business; however, the credit losses on receivables from subtenants have historically been low.

c) Market Risk

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As described in Notes 30, the Company is exposed to interest rate risk with respect to its credit facilities. At September 30 2024 the amounts drawn are as follows: $nil (December 31, 2023 - $nil) from Bank credit facilities; $11,532 (December 31, 2023 - $11,181) from related party credit facilities; $1,581 (December 31, 2023 - $1,541) from financing from FEDDEV and a financial institution; and $2,859 (December 31, 2023 - $2,673) from debenture payable.

If interest rates increased/decreased by 50 basis points and all other variables were held constant, the Company's net loss for the three months ended September 30, 2024, would have increased/decreased by $59 (2023 - $52).

The Company is exposed to foreign exchange risk on revenue and purchase contracts denominated in currencies other than the currency of the Company's contracting entity. For Canadian operations, this typically involves the U.S. dollar, while for U.S. entities, it generally concerns the Canadian dollar. Additionally, the Company has subsidiaries in New Zealand and Australia, further diversifying its currency exposure.

The Company also faces foreign currency risk related to the translation of the net assets of its foreign operations into Canadian dollars. A 1% movement in foreign exchange rates relative to the CAD would result in an approximate $0.13 change in the Company's net income for the nine months ended September 30, 2024.

(In thousands of Canadian dollars, except per share amounts)

d) Fair Value

Financial assets and liabilities recognized or disclosed at fair value are classified in the fair value hierarchy based upon the nature of the inputs used in the determination of fair value. The levels of the fair value hierarchy are:

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

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

	September 30, 2024	December 31, 2023
Cash	15,240	19,162
Accounts receivable	8,431	1,115
Call options	600	1,500
Net investment in subleases	261	375
Investments in equity securities	3,489	410
Other assets	5,884	1,440
Assets classified as held for sale	-	1,150
Liabilities associated with assets classified as held for sale	-	(897)
Accounts payable and accrued liabilities	(9,066)	(5,978)
Acquistions related payable	(7,870)	(443)
Loan payable	(1,581)	(1,541)
Related party loan	(11,532)	(11,181)
Lease liabilities	(4,364)	(5,274)
Debenture payable	(2,673)	(2,932)
Other liabilities	-	(86)
Non-controlling interest redeemable liability	-	(1,282)
Liability for contingent consideration	(7,787)	(260)

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

The carrying value of lease liabilities and the non-controlling interest redeemable liability approximate fair value based upon a discounted cash flows method using a discount rate that reflects the Company's borrowing rate at the end of the year.

Investments, call option and the liability for contingent consideration are carried at fair value and are categorized as level 3 fair values. The significant unobservable inputs used in the fair value measurements are as follows:

	Valuation techniques and key inputs
Investments (non-listed)	Recent comparable transactions, discounts for lack of marketability
Liability for contingent consideration	Discounted cash flow method based upon the probability adjusted revenue of Khure, Biopharma and Verosource, and the Company share price.
Call options	Black Scholes method, interest rates, volatility, dividend yield, Monte Carlo simulation, business plan parameters.

(In thousands of Canadian dollars, except per share amounts)

There were no transfers of assets or liabilities during the nine months ended September 30, 2024 (2023 - nil) between any levels within the fair value hierarchy.

32 CAPITAL MANAGEMENT

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

In managing its capital structure, the Company takes into consideration various factors, including the growth of the business and related infrastructure. The Company's officers and senior management are responsible for managing the capital and do so through quarterly meetings and regular review of financial information. The Company's Board of Directors are responsible for overseeing this process. The Company manages capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the cash flows from operations and capital transactions.

33 SEGMENT REPORTING

The Company is organized into operating segments based on its product and service offerings.Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Company has the following operating segments (1) Clinical Research and Patient services, (2) AI and Data sciences, (3) Healthcare Software. The Company reviews on a regular basis, revenue, direct cost, and profit (loss) to assess performance of the operating segments.

<u>**Continuing Operations**</u>	**Revenues**			
	Nine months ended September 30, 2024		**Nine months ended September 30, 2023**	
	External	**Total**	**External**	**Total**
Clinical Research and Patient services	10,844	**10,844**	4,778	4,778
AI and Data sciences	2,678	**2,678**	618	618
Healthcare Software	10,242	**10,242**	-	-
Consolidated	23,764	23,764	5,396	5,396

<u>**Discontinued Operations**</u>	**Revenues**			
	Nine months ended September 30, 2024		**Nine months ended September 30, 2023**	
	External	**Total**	**External**	**Total**
Clinical Research and Patient services	477	**477**	24,483	24,483
AI and Data sciences	-	**-**	-	-
Healthcare Software	-	**-**	-	-
Consolidated	477	**477**	24,483	24,483

(In thousands of Canadian dollars, except per share amounts)

Continuing Operations	Revenues			
	Three months ended September 30, 2024		Three months ended September 30, 2023	
	External	Total	External	Total
Clinical Research and Patient services	7,053	**7,053**	1,602	1,602
AI and Data sciences	1,103	**1,103**	38	38
Healthcare Software	5,584	**5,584**	-	-
Consolidated	13,740	**13,740**	1,640	1,640

Discontinued Operations	Revenues			
	Three months ended September 30, 2024		Three months ended September 30, 2023	
	External	Total	External	Total
Clinical Research and Patient services	-	**-**	6,361	6,361
AI and Data sciences	-	**-**	-	-
Healthcare Software	-	**-**	-	-
Consolidated	-	**-**	6,361	6,361

	Nine months ended September 30, 2024			
Continuing operations	Clinical Research and Patient services	AI and Data sciences	Healthcare Software	Total
Revenue	10,844	2,678	10,242	23,764
Direct cost	8,396	1,914	2,286	12,596
Segment gross profit	**2,448**	**764**	**7,956**	**11,168**
Discontinued operation				
Revenue	477	-	-	477
Direct cost	308	-	-	308
Segment gross profit	**169**	**-**	**-**	**169**

	Nine months ended September 30, 2023			
Continuing operations	Clinical Research and Patient services	AI and Data sciences	Healthcare Software	Total
Revenue	4,778	618	-	5,396
Direct cost	4,011	378	-	4,389
Segment gross profit	**767**	**240**	**-**	1,007
Discontinued operation				
Revenue	24,483	-	-	24,483
Direct cost	17,105	-	-	17,105
Segment gross profit	**7,378**	**-**	**-**	**7,378**

(In thousands of Canadian dollars, except per share amounts)

	Three months ended September 30, 2024			
Continuing operations	**Clinical Research and Patient services**	**AI and Data sciences**	**Healthcare Software**	**Total**
Revenue	7,053	1,103	5,584	13,740
Direct cost	5,996	687	1,595	8,278
Segment gross profit	**1,057**	**416**	**3,989**	5,462
Discontinued operation				
Revenue	-	-	-	-
Direct cost	-	-	-	-
Segment gross profit	**-**	**-**	**-**	-

	Three months ended September 30, 2023			
Continuing operations	**Clinical Research and Patient services**	**AI and Data sciences**	**Healthcare Software**	**Total**
Revenue	1,602	38	-	1,640
Direct cost	1,280	184		1,464
Segment gross profit	**322**	**(146)**	**-**	176
Discontinued operation				
Revenue	6,361	-	-	6,361
Direct cost	4,487	-	-	4,487
Segment gross profit	1,874	-	-	1,874

Geographical Regions	September 30, 2024		
	Canada	**Australia & New Zealand**	**Total**
Revenue	15,748	8,017	23,765
Direct cost	9,456	3,140	12,596
Segment gross profit	6,292	4,877	11,169
Non-current assets	**97,333**	**1,208**	**98,541**

	September 30, 2023		
	Canada	**Australia & New Zealand**	**Total**
Revenue	5,396	-	5,396
Direct cost	4,389	-	4,389
Segment gross profit	1,007	-	1,007
Non-current assets	**31,090**	**-**	**31,090**

(In thousands of Canadian dollars, except per share amounts)

34 Reclassification

During the period, the sale of EMC was completed. As a result, the management reclassified EMC's operational results from continuing operations to discontinued operations to align with the presentation of the financial statements. This reclassification did not affect the previously reported results or equity of the Company. The table below shows the reclassified amounts:

	Impact due to reclassification					
	Three months ended September 30,2023			Nine months ended September 30, 2023		
	Amounts as previously presented	Reclassification	Re-presented	Amounts as previously presented	Reclassification	Re-presented
Revenue	2,753	(1,113)	1,640	8,960	(3,564)	5,396
Cost of Revenue	2,161	(697)	1,464	6,638	(2,249)	4,389
Sales and marketing	320	(1)	319	961	(2)	959
General and administrative	4,811	(1,286)	3,525	11,278	(1,957)	9,321
Net financing expenses	591	(12)	579	1,301	(135)	1,166
Income tax expense (recovery)	(218)	(33)	(251)	(1,118)	(77)	(1,195)
Due to related parties	(150)	150	-	(150)	150	-
Other assets	-	150	150	-	150	150

35 SUBSEQUENT EVENTS

On October 25, 2024, the Company has made a minority investment of US $250 in shares of a corporation operating software technology in the healthcare industry. In connection with the investment, the Company established a strategic business alliance to serve as a framework for cooperation to leverage respective know-how, experience and resources for the parties' mutual benefit

On November 1, 2024, the Company acquired a controlling interest in a private Canadian-corporation by investing approximately $5,500 made up of approximately $3,100 in cash with the balance in shares of AIDX. The acquired company operates proprietary technology used in the healthcare industry.