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

Condensed Interim Consolidated Financial Statements
For the Quarter Ended March 31, 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	March 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		11,340	19,162
Accounts receivable	4	2,580	1,115
Current portion of other assets	5	3,135	1,203
Net Investment in subleases-current	15	97	126
		17,152	**21,606**
Assets classified as held for sale	6	1,248	1,150
Total current assets		**18,400**	**22,756**
Non-current assets			
Net investment in subleases	15	238	249
Property plant and equipment	8	3,920	3,733
Intangible assets	9	50,928	24,811
Investments	10	410	410
Call options	12	1,100	1,500
Other assets	5	438	237
Total non-current assets		**57,034**	**30,940**
Total assets		**75,434**	**53,696**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	14	9,145	6,420
Deferred revenue		379	335
Related party loan-current	7	5,817	672
Other liabilities		3	86
Current portion of lease liability	15	1,036	1,010
		16,380	**8,523**
Liabilities associated with assets classified as held for sale	6	834	897
Total current liabilities		**17,214**	**9,420**
Non-current liabilities			
Non-current portion of lease liability	15	3,989	4,264
Related party loan	7	10,936	10,509
Liability for contingent consideration	13	260	260
Deferred tax liabilities	23	6,364	2,024
Non-controlling interest redeemable liability	16	1,296	1,282
Debenture payable	17	2,876	2,932
Loan Payable	18	1,552	1,541
Total non-current liabilities		27,273	22,812
Total liabilities		**44,487**	**32,232**
EQUITY			
Share capital	19	83,010	67,368
Convertible debenture option reserve		1,887	1,964
Contributed Surplus		13,028	12,567
Translation Reserve		(267)	-
Deficit		(75,176)	(69,249)
Equity attributable to HEALWELL AI Inc.		22,482	12,650
Non-controlling Interests		8,465	8,814
Total equity		30,947	21,464
TOTAL LIABILITIES AND EQUITY		**75,434**	**53,696**

The financial statements were approved by the Company's board of directors (the "Board of Directors") and authorised for issue on May 10, 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 Loss and Comprehensive Loss
(In thousands of Canadian dollars, except per share amounts)
(Unaudited)

	Note	March 31, 2024	Re-presented March 31, 2023
Continuing operations			
Revenue		4,579	1,974
Cost of Revenue		2,190	1,471
Gross profits		**2,389**	**503**
Operating Expenses			
Research and development		916	1,850
Sales and marketing		760	187
General and administrative		6,149	2,242
Operating expenses	21	**7,825**	**4,279**
Loss before other expense (income) and taxes		**(5,436)**	**(3,776)**
Net financing expenses	22	673	242
Share of comprehensive loss from associate		-	26
Changes in fair value of Call options	12	400	-
Changes in fair value of contingent consideration		-	(7)
Gain on settlement of shares-contingent consideration	13	-	677
Impairment of investment in an associate		-	2,303
		1,073	3,241
Loss before taxes		(6,509)	(7,017)
Income tax (recovery)	23	(234)	(218)
Net loss for the period on continuing operations, net of tax		(6,275)	(6,799)
Net loss on discontinued operations, net of tax		(1)	(649)
Net loss for the period		**(6,276)**	**(7,448)**
Other Comprehensive Expense			
Foreign Currency Translation of foreign operations		(267)	-
Net Comprehensive Loss for the period		**(6,543)**	**(7,448)**
NET LOSS ATTRIBUTED TO			
Non-controlling interests		(349)	(21)
Shareholders of HEALWELL AI Inc.		(5,927)	(7,427)
		(6,276)	**(7,448)**
NET COMPREHENSIVE LOSS ATTRIBUTABLE TO			
Non-controlling interests		(349)	(21)
Shareholders of HEALWELL AI Inc.		(6,194)	(7,427)
		(6,543)	**(7,448)**
Loss per share attributable to HEALWELL AI Inc.			
Basic and diluted		(0.06)	(0.15)

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	March 31, 2024	March 31, 2023
Operating activities:			
Net loss and comprehensive loss for the period		(6,543)	(7,448)
Items not affecting cash:			
Depreciation and amortization	28	1,883	1,261
Deferred tax	23	(288)	(220)
Non-cash interest accreted income	15	(3)	(9)
Non-cash interest accreted expense	15	48	97
Share based compensation	20	481	714
Expected credit losses	4	(14)	(76)
Fair value changes in redeemable liability		14	-
Loss on settlement of shares-contingent consideration		-	677
Changes in fair value of investments		-	(7)
Changes in fair value of call options	12	400	-
Interest on related party loan	7	603	-
Interest on bank loan	18	11	-
Impairment on investments		-	2,303
Share of net loss of associate		-	26
		(3,408)	(2,682)
Net Change in non-cash operating items:	24	(1,196)	1,714
Net cash flows used in operating activities from continuing operations		(4,604)	(968)
Net cash flows used in operating activities from discontinued operations	6	(41)	(140)
Net cash flows used in operating activities		(4,645)	(1,108)
Investing activities			
Acquisition of subsidiaries, net of cash acquired	11	(2,380)	-
Purchase of property and equipment	8	(353)	(4)
Net cash flows used in investing activities from continuing operations		(2,733)	(4)
Net cash flows used in investing activities		(2,733)	(4)
Financing activities			
(Repayment to) Advances from related parties-net		(274)	1,660
Proceeds from issuance of shares in exercise of warrants		351	-
Advance from Bank credit facility		-	10
Lease payments	15	(297)	(684)
Lease payments received	15	43	118
Net cash flows (used in) from financing activities from continuing operations		(177)	1,104
Net cash flows (used in) from financing activities		(177)	1,104
Foreign Currency Translation of foreign operations		(267)	-
Net decrease in Cash		(7,822)	(8)
Cash and cash equivalent at beginning of the year		19,162	1,411
Cash and cash equivalent at ending of the period		11,340	1,403

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 Shares									Class B 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		-	-	-	-	-	(31,597)	(31,597)	52	(31,545)	
Disposal of subsidiary		-	-	-	-	-	-	-	(146)	(146)	
Share based Payments	20	-	-	-	3,261	-	-	3,261	-	3,261	
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	19	758,914	400	-	(400)	-	-	-	-	-	
Share issuance	19	27,708,400	19,500	-	-	-	-	19,500	-	19,500	
Share issuance expenses		-	(2,841)	-	787	-	-	(2,054)	-	(2,054)	
Shares issued for acquisition	19	5,705,664	5,592	-	-	-	-	5,592	7,189	12,781	
Share warrants		-	1,932	1,964	-	-	-	3,896	-	3,896	
Share issuance for settlement of RSUs and DSUs	20	702,953	721	-	(721)	-	-	-	-	-	
Cancelled during the year		-	-	-	-	-	-	-	-	-	(5,200,000)
Balance- December 31, 2023		**87,986,790**	**67,368**	**1,964**	**12,567**	**-**	**(69,249)**	**12,650**	**8,814**	**21,464**	**30,800,000**

		Class A Shares									Class B 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		-	-	-	-	(267)	(5,927)	(6,194)	(349)	(6,543)	
Share based Payments	20	-	-	-	481	-	-	481	-	481	
Share issued for acquisition	19	21,682,465	14,961	-	-	-	-	14,961	-	14,961	
Share issued against conversion of debentures	19	1,898,761	312	(77)	-	-	-	235	-	235	
Exercise of warrants	19	1,627,500	369	-	(20)	-	-	349	-	349	
Balance- March 31, 2024		**113,195,516**	**83,010**	**1,887**	**13,028**	**(267)**	**(75,176)**	**22,482**	**8,465**	**30,947**	**30,800,000**

See accompanying notes to the condensed interim consolidated financial statements.

NATURE OF BUSINESS AND BASIS OF PREPARATION

1. REPORTING ENTITY

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

On September 26, 2023, the name of the Company changed from MCI Onehealth Technologies Inc. to HEALWELL AI Inc.

The condensed interim consolidated financial statements of HEALWELL as at and for the quarter ended March 31, 2024, and March 31, 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
- Concierge medical services through its Executive Medical Concierge Canada subsidiary. (Held for sale)
- Technology-enabled rare disease screening through its Khure Health subsidiary.
- Clinical research through its Canadian Phase Onward subsidiary.
- 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.
- Subscription-based "Electronic Health Record " (EHR) information software throught its Intrahealth Systems subsidiary.

The head office, principal address, and records of the Company are located at 460 College Street, Unit 301, Toronto, Ontario, M6G 1A1.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standard ("IAS") 34, Interim Financial Reporting and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, as issued by the International Accounting Standards Board ("IASB") and using the same accounting policies as described in the Company's December 31, 2023 financial statements 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 31 March 2024 were approved by the Board of Directors on May 10, 2024.

a) Going Concern

The condensed interim consolidated financial statements have been prepared in accordance with IFRS, which contemplates the continuation of the Company as a going concern. For the three months ended March 31, 2024, the Company had cash and cash-equivalents of $11,340, experienced operating losses of $5,436 and negative cash flows from operations of $4,645. Whether and when the Company can attain profitability and positive cash flows from operations is uncertain and the Company anticipates that it will need to raise additional financing over the next 12-month period to continue to meet obligations from operations and acquisitions on an ongoing basis and continue to operate as a going concern.

During the period, the Company took significant steps to attempt to address its liquidity constraints, re-focus its business on its data services and artificial intelligence enabled offerings and raise the financing required to implement its strategic plan. These steps included, but were not limited to, the sale of a significant portion of the Company’s medical clinics, the consolidation or closure of a number of non-performing medical clinics, the delivery of certain non-core assets to the Company’s most significant secured creditor; the settlement of some of the Company’s outstanding secured debt; and the completion of a number of debt and equity financings in Q4 2023, which raised net proceeds of $27,257.

Despite these efforts, there continues to be uncertainty as to the Company's ability to continue to operate as a going concern. This uncertainty is increased by a number of liabilities which the Company has taken on which can be satisfied in either cash or Class A Subordinate Voting Shares HEALWELL ("Subordinate Voting Shares") at the option of the counterparty. Approximately $9,558 of the total liabilities owing by the Corporation as at the three month ended March 31, 2024 were under convertible debentures maturing October 1, 2028, which may be satisfied at the option of the holders in either cash or Subordinate Voting Shares at a conversion price of $0.20 per share. Furthermore, on February 1, 2024, the Company completed a transaction to acquire Intrahealth Systems Limited ("Intrahealth") from WELL Health Technologies Corp. ("WELL"), the terms of which provide that a $5,000 portion of the purchase price is payable over the 10 months following closing in either cash or Subordinate Voting Shares at the option of WELL. While the Company anticipates that a significant portion of these liabilities will be ultimately settled in Subordinate Voting Shares, there can be no assurance this will be the case and, in the event that the counterparties elect to be paid in cash this will further exacerbate the Company's liquidity constraints. The Company also has a $443 cash commitment for the final payout to the minority shareholders of Pentavere and $641 cash commitment to Intrahealth. Finally, the Company is in the process of terminating landlord leases from two clinics whose assets were transferred to WELL, which may result in increased liabilities due to early settlement.

Management intends to continue to improve revenue and profitability through strategic acquisitions, as well as through efforts to organically grow revenue and reduce costs in its existing business. HEALWELL intends to continue to grow revenue in its health services, data services and clinical research services by broadening its customer base, building on existing and potential future relationships and strategic alliances with commercial partners, including WELL, and acquiring businesses with complimentary or synergistic product offerings and customer relationships. HEALWELL also intends to reduce costs by streamlining operations, resource optimization and elimination of redundancies where possible.

The continued operations of the Company depend upon the Company's ability to meet its financing requirements on a continuing basis, to continue to have access to financing, and to generate positive operating results. There can be no assurance, however, that the Company can reach profitability, raise working capital financing, or secure adequate debt or equity financing on desirable terms or at all. These material uncertainties raise significant doubt about the Company's ability to continue as a going concern.

Because the Financial Statements have been prepared on a going concern basis, they do not include any adjustments that might result from the outcome of this uncertainty or the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

b) 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 estimates.

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 loss and comprehensive loss.

b) Revenue Recognition

(i) Services revenue is revenue earned according to the scope of a project or service request; these projects are delivered over a period of time and are generated by providing professional services to customers across Canada, Australia and New Zealand that use our core and addon products. 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 get 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.

(ii) SaaS revenue is mainly derived from subscription licenses to our code product and our addon products. SaaS revenue is generated by providing support, hosting, and related services to customers across Canada, Australia and New Zealand that use our core and addon products. SaaS revenue is recognised over the period of time and typically for terms ranging from monthly to annually and is most frequently prepaid by customers in advance of the Company rendering the service.

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 and 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:

MCI Medical Clinics Inc. : wholly owned subsidiary
MCI Medical Clinics (BC) Inc. : wholly owned subsidiary (dormant)
MCI Polyclinic Group Inc. : 80% owned subsidiary
Onehealth Technologies Inc. : wholly owned subsidiary
Khure Health Inc. : wholly owned subsidiary
The Quit Clinic Inc. : 100% owned subsidiary of MCI Polyclinic Group
Executive Medical Concierge Canada (2021) Ltd. : 100% owned subsidiary of MCI Polyclinic Group
Canadian Phase Onward :100% owned subsidiary of MCI Polyclinic Group
North York Pulmonary Function Test Centre : 100% owned subsidiary MCI Polyclinic Group
Intrahealth Systems Limited: wholly owned subsidiary
Intrahealth Australia Pty: wholly owned subsidiary
Intrahealth New Zealand Limited: wholly owned subsidiary
Intrahealth Canada Limited: wholly owned subsidiary
Intrahealth Systems UK Limited: wholly owned subsidiary
Pentavere Research: 51% owned subsidiary
Subsidiaries of the Company are incorporated and located in Canada, Australia and New Zealand.

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 does 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 will assess the impact of the new standard in due course.

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

4 ACCOUNTS RECEIVABLE

	March 31, 2024	December 31, 2023
Accounts receivable consist of the following:		
Trade receivables - Public insured health services	283	258
Trade receivables – Health research and technology services	1,160	211
Trade receivables – Others	46	671
Trade receivables - EMR	1,102	-
Expected credit losses	(11)	(25)
	2,580	1,115

	March 31, 2024	December 31, 2023
The change in the allowance for expected credit losses are as follows:		
As at January 1,	25	189
(Reversal) / expense of provision for expected credit losses- continuing operations	(14)	11
Reversal of provision for expected credit losses- discontinued operations	-	(175)
	11	25

5 OTHER ASSETS

	March 31, 2024	December 31, 2023
Other assets consist of:		
Prepaid expenses	2,538	157
Harmonized Sales Tax (HST)	597	632
SR & ED Credits Receivable	-	415
Other receivable	370	45
Security deposit	68	191
	3,573	1,440
Less: current portion	(3,135)	(1,203)
	438	237

6 Assets classified as held for sale & Discontinued Operations

In December 2023, entered into negotiation to sell its 80% share in Executive Medical Concierge Canada (2021) Ltd. to Health Network Inc. The sale is expected to be completed by the end of the second quarter of 2024. The assets and liabilities of EMC have been classified as “assets classified as held for sale” and “liabilities associated with assets classified as held for sale” in the consolidated statement of financial position.

The results of discontinued operations of EMC for the three months ended March 31, 2024, and 2023 are shown as follows:

	March 31, 2024	March 31, 2023
Revenue	235	175
Cost of revenue	173	41
Gross profits	62	134
Operating Expenses		
General and administrative	62	72
Operating expenses	62	72
Income before other expense and taxes	-	62
Net financing expenses	1	1
(Loss) Income before taxes	(1)	61
Income taxes expense	-	17
Net (Loss) income from discontinued operations	(1)	44

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

The statements of cashflows of EMC for the period ended March 31, 2024, and December 31, 2023 are as follows:

	March 31, 2024	March 31, 2023
Operating activities	(41)	(140)
Net cashflows used in disposal of discontinued operations	(41)	(140)

There are no cumulative income and expenses included in Other Comprehensive Income relating to the disposal group.

The (loss) earnings per share of Executive Medical Concierge Canada(2021) Ltd. for the period ended March 31, 2024, and 2023 as follows:

	March 31, 2024	March 31, 2023
Basic and diluted earnings per share	(0.00001)	0.0008

Basic and dilutive earnings per share for disposal of discontinued operations is calculated by dividing net income (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 19 to the condensed interim consolidated financial statements.

For the comparative period of three months ended March 31, 2023, discontinued operations also included disposed of entities other than EMC. These entities have been disposed in 2023. Accordingly, discontinued operations in the three months period ended March 31, 2024 only represented EMC.

The following major classes of assets classified as held for sale in the condensed interim consolidated statement of financial position:

	March 31, 2024	December 31, 2023
Accounts and other Receivables	191	239
Cash and cash equivalent	590	470
Other Current Assets	81	55
Property and equipment	2	2
Intangibles	384	384
Assets classified as held for sale	1,248	1,150

The following major classes of liabilities associated with assets classified as held for sale in the consolidated statement of financial position on March 31, 2024:

	March 31, 2024	December 31, 2023
Accounts payable and other accrued liabilities	283	330
Deferred revenue	551	567
Liabilities associated with assets classified as held for sale	834	897

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

7 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.
- HEALWELL management and board members.

a) Related party balances

	March 31, 2024	December 31, 2023
WELL Health Technologies Corp		
Principal including accrued interest	7,519	7,226
Debenture payable	2,606	2,511
Operating loan payable	383	822
Holdback – MCI Alberta	(150)	(150)
Convertible principal amount promissory note	5,000	-
Related parties of Intrahealth System Limited		
Operating loan payable	584	-
Management and Board members		
Debenture payable	811	772
	16,753	11,181
Less: current portion	(5,817)	(672)
	10,936	10,509

b) Related party transactions

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

	March 31, 2024	March 31, 2023
WELL Health Technologies Corp.		
Interest on loan advances	293	-
Transition services	151	-
Interest on Debentures	121	-
Management and Board members		
Interest on debentures payable	38	-

On February 1, 2024, the Company commits to repay WELL Health Technologies Corp. the principal sum of $5,000 along with accrued interest at 18% upon the occurrence of an event of default. The entire outstanding amount, including principal and interest, becomes due on the Maturity Date, which is the later of two months from the Issue Date or at the Holder's discretion within 60 days thereafter. Conversion of the outstanding amount into Common Shares is optional before the Maturity Date, subject to certain conditions and the Conversion Price. The mechanics of conversion involve the issuance of Common Shares, with no fractional shares issued. Payments are made in Canadian currency at a designated location.

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

8 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	353	-	-	-	353
Acquisition through business combination		54	-	-	54
Balance, March 31, 2024	**667**	**3,316**	**3,501**	**10,221**	**17,705**

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 and amortization	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 and amortization	10	60	2	148	220
Balance, March 31, 2024	**287**	**2,834**	**3,497**	**7,167**	**13,785**

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, March 31, 2024	**380**	**482**	**4**	**3,054**	**3,920**

During 2023, the Company identified indicators of impairment within the MCI Medical Clinics Inc for Right of use assets and leasehold improvements. As these are no longer use 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.

As of March 31, 2024, the Company considered indicators of impairment and conducted an assessment, determining that no impairment needed to be recognised in these condensed interim consolidated financial statements for the period ended March 31, 2024.

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

9 INTANGIBLE ASSETS AND GOODWILL

Intangible assets consist of the following:

a) Cost	**Physician Contracts**	**Customer Relationships**	**Favourable Contracts**	**Trademark**	**Goodwill**	**Software**	**Total**
Balance, December 31, 2022	187	9,200	75	-	10,074	5,241	24,777
Reclassified as assets held for sale	-	-	-	-	(384)	-	(384)
Acquistion 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
Acquistion through business combination	-	5,875	-	-	10,368	11,639	27,882
Translation reserve		(22)	-	-	(38)	(42)	(102)
Balance, March 31, 2024	-	16,353	-	1,050	28,036	22,213	67,652

b) Accumulated Amortization	**Physician Contracts**	**Customer Relationships**	**Favourable Contracts**	**Trademark**	**Goodwill**	**Software**	**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	-	378	-	26	-	1,259	1,663
Balance, March 31, 2024	-	5,141	-	35	5,401	6,147	16,724

c) Carrying Amounts	**Physician Contracts**	**Customer Relationships**	**Favourable Contracts**	**Trademark**	**Goodwill**	**Software**	**Total**
Balance, December 31, 2023	-	5,737	-	1,041	12,305	5,728	24,811
Balance, March 31, 2024	-	11,212	-	1,015	22,635	16,066	50,928

As at September 30, 2023, the Company identified indicators of impairment within Khure Health Inc. 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 Health Inc. goodwill is $nil.

The Company also impaired $1,402 of software, which can no longer be used or disposed.

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

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 Inc. CGU was impaired and recognised loss of $155. Subsequent to the recognition of the impairment loss, the carrying value of OneHealth Inc goodwill is $nil.

The Company determined that there is no indicator of impairment on any of the CGUs at March 31, 2024.

	March 31, 2024	**December 31, 2023**
Polyclinic Group	4,185	4,569
Pentavere Research	8,120	8,120
Intrahealth	10,330	-
Reclassified as asset held for sale	-	(384)
	22,635	12,305

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

	March 31, 2024	December 31, 2023
10 INVESTMENTS		
Investment in Doctorly	410	410

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, build 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. The fair value of the investment in Doctorly is $410 as of Mar 31, 2024 (December 31, 2023 - $410).

11 BUSINESS ACQUISITION

On February 1, 2024, the Company acquired 100% shares of Intrahealth Systems Limited, a corporation existing under the Law 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 to pay cash of $3,600, after adjustment of hold back and working capital of $606 and $158.

(b) The Company issued 21,682,465 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) Convertible $5,000 principal amount promissory note (the "VTB Note") of the Company.

(d) Deferred Purchase Amount of $641.

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

Accounts receivable and other current assets	1,508
Cash	772
Fixed assets	54
Other non-current assets	136
Software	11,639
Customer relationship	5,875
Total Assets	**19,984**
Accounts payable and other current liabilities	925
Deferred revenue	177
Deferred tax liability	4,629
Due to related parties	419
Total Liabilities	**6,150**

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

Total net identifiable assets	**13,834**
Goodwill	**10,368**
Total purchase consideration	**24,202**
Purchase Consideration	
Share consideration	14,961
Cash	3,152
Holdback	606
Convertible notes	5,000
Working capital adjustment	(158)
Deferred payments	641
Total purchase consideration	**24,202**

The acquisition was accounted for using the acquisition method in accordance with IFRS 3 with the results of operations consolidated with those of the Company effective February 1, 2024.

The goodwill recognized in connection with this acquisition 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.

Since acquisition, Intrahealth contributed revenue of $2,036 and net profit of $300 during the period ended March 31, 2024. For the full quarter ended March 31, 2024, Intrahealth generated revenue of $2,975 and a net profit of $210 had the acquisition been made at the beginning of financial year.

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

Intrahealth was acquired on February 1, 2024 and the Company needs more time 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.

12 CALL OPTIONS

The Company have a call option to acquire the outstanding Class A Common Shares of Pentavere that are not currently owned by the Company. 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 $1,100 as at March 31, 2024 (December 31, 2023 $ 1,500). During the period, the change in fair value of $400 has been recognised in the statement of loss and comprehensive loss.

13 LIABILITY FOR CONTIGENT CONSIDERATION SHARES

	March 31, 2024	December 31, 2023
Balance as at	260	1,637
Changes in fair value loss for contingent consideration	-	223
Issuance of shares upon achievement of revenue targets	-	(1,600)
Balance as at	260	260
Less: current portion	-	-
Long-term portion	260	260

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

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 is required to issue MCI 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 recognised 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 $223 (December 31, 2022, fair value gain of $1,485) resulting from the change in fair value of the contingent consideration.

As a result of March 31, 2024, the company expectes no change in its fair vlaue of the contigent consideration of $ 260.

14 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	**March 31, 2024**	**December 31, 2023**
Trade & Other Payables	4,441	3,931
Income taxes Payables	96	19
Holdback- Intrahealth / Pentavere	1,049	443
Accrued Liabilities	3,512	1,979
Deposits	47	48
	9,145	6,420

15 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 March 31, 2024, and December 31, 2023, are as follows:

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

	March 31, 2024	**December 31, 2023**
Lease liability – current	1,036	1,010
Lease liability – non-current	3,989	4,264
Total Lease liability	5,025	5,274
Lease receivable – current	97	126
Lease receivable – non-current	238	249
Total Lease receivable	335	375

Amounts recognized in the condensed interim consolidated statement of loss and comprehensive loss:

	March 31, 2024	**March 31, 2023**
Expenses relating to variable lease payments	270	640
Lease income from operating leases	29	16
Interest income on subleases	4	1

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:

	March 31, 2024	**December 31, 2023**
Balance - Beginning	5,274	10,420
Lease modification	-	(98)
Business combination	-	181
Disposal of subsidiary and clinics	-	(3,429)
Interest expense	48	149
Interest expense from discontinued operations	-	160
Lease cash payments	(297)	(2,109)
Balance - Ending	5,025	5,274

The maturity analysis of lease liabilities at March 31, 2024, is as follows:

Minimum lease payments due	**< 1 year**	**2 – 5 years**	**>5 years**	**Total**
Lease payments	1,202	3,319	1,100	5,621
Finance charges	(166)	(341)	(89)	(596)
Lease liabilities	1,036	2,978	1,011	5,025

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 March 31, 2024, and December 31, 2023, the Company had sublease contracts for 7 spaces, with an average remaining life to expiry (including extension term) of 1.55 years (2022-2.08 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:

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

	March 31, 2024	December 31, 2023
Balance-Beginning	375	1,253
Disposal	-	(543)
Interest income from continuing operations	3	15
Interest income from discontinued operations	-	13
Lease cash recoveries	(43)	(363)
Balance - Ending	335	375

As at March 31, 2024, the minimum rent expected to be received under net investment in subleases is as follows:

2024	108
2025	57
2026	57
2027	57
2028	57
More than five years	28
	364
Unearned finance income	(29)
	335

As at March 31, 2024, the minimum rent expected to be received under operating leases for the next five years and thereafter is as follows:

2024	57
2025	23
	80

The Company subleased a space for 5 years. The rent per annum starts at $48 per annum from September 1, 2024 and increases over 5 years and ends at $79 per annum.

16 NON-CONTROLLING INTEREST REDEEMABLE LIABILITY

In 2021, the Company completed a series of share purchase transactions to acquire an 80% interest in Canadian Phase Onward Inc., The Quit Clinic Inc., North York Pulmonary Function Center Inc. and Executive Medical Concierge Canada (2021) Ltd. (collectively, “Polyclinic”) through its newly formed subsidiary, MCI Polyclinic Group Inc. Polyclinic provides onsite integrated health services including primary care, specialist care, lab services and in-house clinical research.

During the acquisition, the Company entered into an agreement with the non-controlling shareholders of MCI Polyclinic Group Inc., which contains a put option to require the Company to purchase their retained interest based on specified calculations. On initial recognition, the class B shares of MCI Polyclinic Group Inc. held by the non-controlling shareholders were recognized as a financial liability. The carrying amount as of March 31, 2024, is $ 1,296 (December 31, 2023- $1,282).

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

17 DEBENTURE PAYABLE

	March 31, 2024	December 31, 2023
Balance as at	6,217	-
Debenture issuance	-	10,000
Conversion feature	-	(1,964)
Share warrants	-	(1,932)
Issuance cost	-	(190)
Accrued interest	310	303
Converted into shares	(234)	-
Balance as at	6,293	6,217

	March 31, 2024	December 31, 2023
Liability component	6,293	6,217
Less: Debenture payable – WELL Health Technologies Corp	(2,606)	(2,511)
Less: Debenture payable – Management and Board member	(811)	(774)
	2,876	2,932

The debentures bear interest at a rate of 10% per annum and mature 5 years from the closing date. 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 March 31, 2024, the Company was compliant with all covenants of the debentures.

18 LOANS

	March 31, 2024	December 31, 2023
FEDDEV Loan	748	737
Bank Loan	804	804
	1,552	1,541
Less: current portion	-	-
	1,552	1,541

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

Federal Economic Development Agency (FEDDEV) Loan

Pentavere Research Group Inc. has a contribution agreement with the Federal Economic Development Agency of Southern Ontario to receive repayable contributions in respect of a project in an amount of 33.3% of eligible costs to a maximum of $1,060. As at December 31, 2023, the Company received $954 in contributions to date, which have been discounted at the Company's average borrowing rate and are repayable in monthly instalments starting January 15, 2026, with the final payment being due on December 15, 2030.

Bank Loan

Pentavere Research Group Inc. has a loan payable from BDC Canada bearing interest at the lender's floating base rate plus 4.4% per annum, payable in monthly interest-only instalments, with principal being due in full on February 15, 2027. The loan is secured by a general security agreement over the Company's assets, assignment of directors' life insurance policies and postponement of claims from related parties. The Company is required to comply with certain financial and non-financial covenants. As at March 31, 2024, the Company was in compliance with the covenants.

19 SHARE CAPITAL

(a) Authorized:

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

(b) Issued:

	Class A Subordinate Voting		Class B Multiple
	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 c	702,953	721	
Cancelled during the year			**(5,200,000)**
Balance- December 31, 2023	**87,986,790**	**67,368**	**30,800,000**

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

	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	1,627,500	369	
Issuance of Subordinate Voting Shares for acquisition of Intrahealth	21,682,465	14,961	
Issuance of Subordinate Voting Shares against conversion of debentures	1,898,761	312	
Balance- March 31, 2024	**113,195,516**	**83,010**	**30,800,000**

On February 15, 2023, the Company issued 3,035,657 Subordinate Voting Shares to the former owners of Khure Health Inc. as settlement for the achievement of the second earn-out target valued at $2,277. An amount of up to $900 of Subordinate Voting Shares are contingently issuable to the principals of Khure Health Inc. under “additional earn-out shares agreements,” which are subject to the achievement of certain revenue milestones. On July 12, 2023, the Company entered into an agreement with Khure Health Inc. to extend the time to achieve the third and final earn-out milestone from December 23, 2023 to December 31, 2025., and continued employment by the applicable principals.

On February 15, 2023, the Company also issued 758,914 Subordinate Voting Shares to Khure’s employee as settlement for the achievement of an earn-out target valued at $400.

On October 1, 2023, an aggregate of 5,200,000 Multiple Voting Class B Shares were surrendered to the Company for no consideration in connection with the Strategic Transaction.

On October 17, 2023, the Company issued a total of 13,333,400 Subordinate Voting Shares (4,389,965 restricted for four months) pursuant to a private placement at a price of $0.75 per share for gross proceeds of $8,000. The Company granted 699,801 compensation warrants to the underwriters of the private placement, with each warrant exercisable to acquire one Subordinate Voting Share at a price of $0.60 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 $0.49 of the warrants was $364. The Company incurred share issuance cost $1,115 including compensation warrants.

On December 22, 2023, the Company issued a total of 14,375,000 units pursuant to a prospectus offering, with each unit consisting of one Subordinate Voting Share and one-half of one warrant, at a price of $0.80/unit for gross proceeds of $11,500. Each whole warrant entitles the holder to purchase one Subordinate Voting Share at a price of $1.20/share for a period of three years following the closing of the offering. The Company chose to include the value of the 7,187,500 share warrants at fair value of $3,071 in share capital. The Company used the Black Scholes method and determined the fair value at share warrants. The Company granted 862,500 compensation warrants to the underwriters, with each warrant exercisable to acquire one Subordinate Voting Share at a price of $0.80 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 $0.49 of the warrants was $423. The Company incurred share issuance cost $1,726 including compensation warrants.

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

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

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 payable 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 payable 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 payable.

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

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

(c) Warrants

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

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	40,000	822,500
December 22, 2023 Bought deal	7,187,500	1.20	0.52		7,187,500
October 1, 2023 Debenture warrants	50,000,000	0.20	0.20	1,587,500	48,412,500
March 31, 2024	58,749,801	-	-	1,627,500	57,122,301

	2023
Risk free rate	4.05%-4.83%
Expected life (years)	2
Volatility	140.08%-140.29%
Underlying stock price	$0.72-$0.75
Strike price	$0.75-$1.2

20 SHARE BASED PAYMENT ARRANGEMENTS

As of March 31, 2024, the Company had the following share-based payment arrangements:

(a) Stock Option Plan:

On December 22, 2020, the Board of Directors established an omnibus long-term incentive plan (the “Equity Incentive Plan”), under which Options, "Restricted Share Units" (RSUs), "Deferred Stock Units" (DSUs), performance awards or other share- or performance-based awards (collectively, the “Awards”) may be granted to employees, officers, consultants and non-employee directors of the Company and its affiliates. The Equity Incentive Plan mandates that the maximum aggregate number of outstanding options shall not exceed 10% of the outstanding MCI Shares at the relevant grant date. Awards granted under the Equity Incentive Plan have a contractual life of 5 years.

On April 8, 2022, the Company granted 645,000 options to purchase MCI Shares as an incentive to key employees. As at March 31, 2023, 243,750 of these options had been forfeited as a result of employee departures. The grant date fair value of the options was $396, which will be recognized over the four-year vesting period with 25% of the options vesting after the first year and the remainder vesting in equal annual instalments over the remaining three-year vesting period, respectively.

On October 5, 2022, the Company entered into option amendment agreements with certain directors and officers for the surrender for cancellation of an aggregate of 499,999 unvested options originally granted on January 6, 2021 (see above) to facilitate the grant of equity incentives to other employees of the Company.

On October 5, 2022, the Company also granted 635,000 options to purchase MCI Shares as an incentive to key employees. As at March 31, 2023, 315,000 of these options had been forfeited as a result of employee departures. The grant date fair value of the options was $603, which will be recognized over the four-year vesting period with 25% of the options vesting after the first year and the remainder vesting in equal annual instalments over the remaining three-year vesting period, respectively.

On September 30, 2023, the Company entered into option cancellation agreements with certain directors and officers of the Company which resulted in the cancellation of 855,000 vested options that had originally been granted on January 5, 2021.

On September 30, 2023, the Company entered into option amendment agreements with certain directors, officers and employees to (a) reduce the exercise price of their options to $0.69 per share, (b) extend out the expiry date of the options until September 30, 2028, and (c) amend the vesting terms for any unvested options to vest in increments of 25% per year over the four years following the date of amendment. 1,116,500 vested and 1,016,500 unvested options were amended.

On September 30, 2023, the Company granted an aggregate of 223,187 DSUs, each settleable for one Subordinate Voting Share, to non-employee directors in satisfaction of their board fees for 2023.

On September 30, 2023, the Company granted an aggregate of 950,000 RSUs, each settleable for one Subordinate Voting Share, to key employees.

On September 30, 2023, the Company granted an aggregate of 950,000 PSUs, each settleable for one Subordinate Voting Share, to key employees.

On October 23, 2023, the Company granted an aggregate of 325,000 PSUs, each settleable for one Subordinate Voting Share, to key employees.

On October 23, 2023, the Company granted an aggregate of 895,000 RSUs, each settleable for one Subordinate Voting Share, to key employees and consultants.

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

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

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:

	March 31, 2024	December 31, 2023
Risk free rate	4.05%	4.05%
Expected life (years)	3	4-5
Volatility	62.01%	124.01%
Underlying stock price	$0.75	$0.55-$0.75
Strike price	-	$0.69-$0.75

Fair value of modification of stock options:
The fair value of each modification 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 three months ended March 31, 2024.

	March 31, 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 three months ended March 31, 2024, and 2023:

	March 31, 2024		March 31, 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
Forfeited	(45)	3.10	(602)	1.25
Outstanding-March 31,	2,259	4.43	4,099	4.70

There were 672,750 options vested or exercisable as at March 31, 2024 (2023- 2,251,324), 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)	
$3-4	45	2.13
$1-2	81	3.12
$0.69-0.95	2,133	4.50
	2,259	4.88

The following table summarizes grants of stock options:

Grant date	Granted	Expired	Cancelled	Forfeited	Modified	Outstanding
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
January 6, 2021	3,420	-	(1,355)	(605)	(1,460)	-
May 18, 2021	528	-	-	(375)	(108)	45
June 29, 2021	400	-	-	(400)	-	-
September 10, 2021	95	-	-	-	(95)	-
April 8, 2022	645	-	-	(244)	(320)	81
October 5, 2022	635	-	-	(485)	(150)	-
September 30, 2023	-	-	-	-	2,133	2,133
Balance- March 31, 2024	5,723	-	(1,355)	(2,109)	-	2,259

No stock options expired during the quarter ended Mar 2024 as non will expire until 2025 (2023 – nil)

(b) DSUs, RSUs and PSUs

The Company grants 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 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 PSU 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.

Grant date	Vesting period	RSUs	PSUs	DSUs	Vested	Settled	Net Outstanding
September 10, 2021	Fully vested	-	-	52,400	22,900	29,500	22,900
April 8, 2022	Fully vested	-	-	203,674	85,293	118,381	85,293
September 30, 2023	Fully vested	-	-	223,187	168,115	55,072	168,115
September 30, 2023	1/3 per year	950,000	-	-	-	-	950,000
September 30, 2023	1/3 per year	-	950,000	-	-	-	950,000
October 23, 2023	1/3 per year	-	325,000	-	-	-	325,000
October 23, 2023	1/3 per year	325,000	-	-	-	-	325,000
October 23, 2023	Fully vested	500,000	-	-	-	500,000	-
October 23, 2023	1/3 per year	70,000	-	-	-	-	70,000
January 8, 2024	1/3 per year	100,000	-	-	-	-	100,000
January 8, 2024	1/3 per year		100,000	-	-	-	100,000
March 31, 2024		1,945,000	1,375,000	479,261	276,308	702,953	3,096,308

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

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.

On September 30, 2023, the Company granted an aggregate of 223,187 deferred share units, each settleable for one Subordinate Voting Share, to non-employee directors in satisfaction of their board fees for 2023. The closing price of the Subordinate Voting Shares on the last trading day prior to September 30, 2023 was $0.55 per share.

On November 21, 2023, the Company settled 202,953 vested DSUs by issuing 202,953 Subordinate Voting Shares to the holders at a price of $0.94 per share.

On September 30, 2023, the Company granted an aggregate of 950,000 RSUs, each settleable for one Subordinate Voting Share, to key employees. The closing price of the Subordinate Voting Shares on the last trading day prior to September 30, 2023 was $0.55 per share.

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

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

During the quarter ended March 31, 2024, the Company recognized a share-based payment expense of $213 (March 2023 - $565).

21 OPERATING EXPENSES BY NATURE

	March 31, 2024	**March 31, 2023**
Salaries and other short-term employee benefits	1,696	921
Research and development	916	1,799
Sales and marketing	883	187
Facilities expenses	51	32
Professional and accounting	1,242	296
Recruiting expenses	8	2
Insurance	164	201
Technology and communication expenses	372	48
Stock compensation	481	565
Public company expenses	664	105
Depreciation and amortization expense	839	115
Shared Service Cost	151	-
Others	358	8
Expenses from continuing operations	**7,825**	**4,279**
Expenses from discontinued operations	62	3,395
	7,887	**7,674**

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

22 NET FINANCING EXPENSES

Net financing expenses consist of the following:

	March 31, 2024	March 31, 2023
Interest on lease liabilities	48	37
Interest on lease receivables	(3)	(3)
Interest income	(188)	-
Interest on related party loan	388	194
Interest, bank charges and fees	428	14
Net financing from continuing operations	673	242
Net financing from discontinued operations	1	113
	674	355

23 INCOME TAXES

Income taxes consists of the following:

	March 31, 2024	March 31, 2023
Current income tax	54	19
Deferred tax recovery	(288)	(220)
	(234)	(201)

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:

	March 31, 2024	March 31, 2023
Loss before income tax from continuing and discontinued operations	(6,240)	(7,649)
Effective income tax rate	26.5%	26.5%
Expected income tax recovery	(1,654)	(2,027)
Permanent difference	(36)	1,022
Intangibles	-	(12)
Deferred tax assets not recognized	2,782	797
Others	(1,326)	19
	(234)	(201)

Deferred tax assets consist of:

	March 31, 2024	December 31, 2023
Leases (includes PP&E)	671	116
Security issuance expenses	841	922
Non-capital loss carry forward	14,077	11,736
Net-capital loss carried forward	9	9
SR&ED expenditure pool	1,985	1,986
Deferred tax assets not recognized	(17,591)	(13,633)
Others	8	9
	-	1,145

Deferred tax liabilities consist of:

	March 31, 2024	December 31, 2023
Property and equipment	(262)	(62)
Intangibles	(6,102)	(3,107)
	(6,364)	(3,169)

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

Included in deferred tax asset and liabilities is $6,434 (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	5
2035	635
2036	1,287
2037	-
2038	-
2039	822
2040	1,086
2041	3,794
2042	24,514
2043	14,021
2044	4,643
Unlimited	2,031
	52,838

The company also has a Scientific Research & Experimental Development ("SR&ED") expenditure pool of $8,407 (December 31, 2023, of $7,492) which can be carried forward for future years and which do not expire.

24 NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

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

	March 31, 2024	March 31, 2023
Accounts receivable	(78)	1,092
Other assets	(1,995)	414
Accounts payable and accrued liabilities	877	208
	(1,196)	1,714

25 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:

	March 31, 2024	March 31, 2023
Salary, wages and benefits	240	444
Share based compensations	422	359
	662	803

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

26 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 and progress has been slower than anticipated, such that the Company now expects judgment in 2024. 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.

There is a current claim by a former patient of the Company that has been made to the Ontario Human Rights Tribunal (“HRTO”) making allegations of discrimination and seeking damages of approximately $200. The damages sought are roughly $200. The Company denies these allegations and has asked the HRTO to dismiss the complaint. The matter has gone to mediation and estimated damages are likely to be immaterial to the Company.

27 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:

	March 31, 2024	March 31, 2023
Net loss attributable to Company shareholders	(5,927)	(7,427)
Weighted average number of Class A Subordinate Voting Shares	104,000,185	51,930,325
Basic and diluted loss per share	(0.06)	(0.15)

28 DEPRECIATION AND AMORTIZATION

The following table presents total depreciation and amortization by function:

	March 31, 2024	March 31, 2023
Cost of sale	448	158
Sales and marketing	306	248
Research and development	161	274
General and administrative	968	581
	1,883	1,261

29 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 March 31, 2024:

a) 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 significant 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 provincial government receivables.

Receivables from Non-Government Customers

(i) Clinics: Clinic 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) Technology and EMR: 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

Quit Clinics 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 Quit Clinics as the tenant is typically an individual or small business; however, the credit losses on receivables from subtenants have historically been low.

b) Market Risk (Interest Rate 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 6 and 11, the Company is exposed to interest rate risk with respect to its credit facilities. At March 31 2024, nil (December 31, 2023 - nil) from Bank credit facilities and $6,764 (December 31, 2023 - $11,181) from related party credit facilities were drawn and $1,552 (December 31, 2023 - $1,541) from financing from FEDDEV and a financial institution.

If interest rates increased/decreased by 50 basis points (2023 - 50 basis points) and all other variables were held constant, the Company's net loss for the three months ended March 31, 2024, would have increased/decreased by $4 (2023 - $52).

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

c) 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:

	March 31, 2024	**December 31, 2023**
Cash	11,340	19,162
Accounts receivable	2,580	1,115
Call options	1,100	1,500
Net investment in subleases	335	375
Investments	410	410
Other assets	3,573	1,440
Assets classified as held for sale	1,248	1,150
Liabilities associated with assets classified as held for sale	(834)	(897)
Accounts payable and accrued liabilities	(9,145)	(6,421)
Bank loan	(1,552)	(1,541)
Related party loan	(16,753)	(11,181)
Lease liabilities	(5,025)	(5,274)
Other liabilities	(3)	(86)
Non-controlling interest redeemable liability	(1,296)	(1,282)
Liability for contingent consideration	(260)	(260)

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

The carrying value of net investment in subleases, 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.
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 three months ended March 31, 2024 (2023 - nil) between any levels within the fair value hierarchy.

d) 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 March 31, 2024:

	March 31, 2024		
	< 1 year	**2 – 5 years**	**Over 5 years**
Lease liabilities	1,036	2,978	1,011
Accounts payable and accrued liabilities	9,145	-	-
Bank loan	-	1,552	-
Related party loan	5,817	10,936	-
Debenture payable	-	2,876	-
Non-controlling interest redeemable liability	-	1,296	-
Liability for contingent consideration	260	-	-
Other liabilities	3	-	-
	16,261	**19,638**	**1,011**

The Company has assessed that it is currently exposed to significant liquidity risk due to its depleted cash reserves, negative cash flow from operations, limited availability remaining on the Company's existing credit facilities and difficulty accessing additional sources of credit. Please refer to the Company's going concern disclosure in Note 2(a) for additional information.

	December 31, 2023		
	< 1 year	**2 – 5 years**	**Over 5 years**
Lease liabilities	1,036	2,978	1,011
Accounts payable and accrued liabilities	6,421	-	-
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	-	-
	8,225	**26,766**	**1,011**

30 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 thousands of Canadian dollars, except per share amounts)

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.

The Company has assessed that its capital management strategy may be impacted by uncertainty regarding its future cash flows. Please refer to the Company's going concern disclosure in Note 2(a) for additional information.

31 SEGMENT REPORTING

The Company determined its operating segments based on information reviewed by the Company's chief operating decision-makers, mainly on the basis of services offered and the type/classes of customers served.

The Company has the following operating segments (1) Medical Clinics, (2) Health Technology, (3) Electronic Health Records.

The Company reviews on a regular basis, revenue, direct cost, and profit (loss) to assess performance of the operating segments.

Continuing & Discontinued Operations	**Revenues**			
	March 31, 2024		**March 31, 2023**	
	External	**Total**	**External**	**Total**
Medical clinics	2,066	**2,066**	11,193	11,193
Health technology	712	**712**	341	341
Electronic Medical Records	2,036	**2,036**	-	-
Consolidated	4,814	**4,814**	11,534	11,534

Continuing operations	**March 31, 2024**			
	Medical clinics	**Health technology**	**Electronic Medical Records**	**Total**
Revenue	1,831	712	2,036	4,579
Direct cost	1,174	669	347	2,190
Segment gross profit	**657**	**43**	**1,689**	**2,389**

	March 31, 2023			
	Medical clinics	**Health technology**	**Electronic Medical Records**	**Total**
Revenue	1,633	341	-	1,974
Direct cost	1,195	276	-	1,471
Segment gross profit	**438**	**65**	**-**	**503**

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

	March 31, 2024			
Discontinued operations	**Medical clinics**	**Health technology**	**Electronic Medical Records**	**Total**
Revenue	235	-	-	235
Direct cost	173	-	-	173
Segment gross profit	**62**	**-**	**-**	**62**

	March 31, 2023			
	Medical clinics	**Health technology**	**Electronic Medical Records**	**Total**
Revenue	9,560	-	-	9,560
Direct cost	6,684	-	-	6,684
Segment gross profit	2,876	-	-	2,876

Geographical Regions	March 31, 2024		
	Canada	**Australia & New Zealand**	**Total**
Revenue	2,543	2,036	4,579
Direct cost	1,843	347	2,190
Segment gross profit	**700**	**1,689**	2,389
Non-current assets	**29,499**	**27,535**	57,034

	March 31, 2023		
	Canada	**Australia & New Zealand**	**Total**
Revenue	1,974	-	1,974
Direct cost	1,471	-	1,471
Segment gross profit	**503**	**-**	503
Non-current assets	**30,940**	**-**	30,940

32 SUBSEQUENT EVENTS

On May 6 2024, the Company entered into an agreement for a bought deal private placement financing. The financing, if successfully completed, would result in the sale of 14,815,000 units of the Company at a price of $1.35 per unit, for gross proceeds of $20,000. Each unit will be comprised of one Subordinate Voting Share and one-half warrant to purchase a Subordinate Voting Share at an exercise price of $1.80 per share for a period of two (2) years following the closing of the financing. The Company has granted the underwriters an over-allotment option to purchase up to an additional 15% of the units at the same price set out above, exercisable in whole or in part at any time on or prior to the date that is two (2) business days prior to the closing of the financing. If the over-allotment option is exercised in full, an additional $2,400 of gross proceeds would be raised. The financing remains subject to the satisfaction or waiver of a number of conditions precedent typical for transactions of this nature. There can be no guarantee at this time that the transaction will be completed on the terms set out above or at all.

On April 15, 2024, the Company issued 1,296,758 RSUs, 521,250 PSUs and 101,841 DSUs as part of long term incentive compensation.

Subsequent to the quarter end 1,230,750 warrants have been exercised for proceeds of $1,112 and $37 of debenture converted into 184,569 shares at a price of $0.20 per share.