HEALWELL AI INC.

May 12, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A") of the consolidated financial condition and results of operations of HEALWELL AI Inc. ("HEALWELL") and its subsidiaries (together with HEALWELL, the "Company") for the three-months ended March 31, 2025 (the "Reporting Period") and March 31, 2024 (the "Prior Period") and is provided as of May 12, 2025 (the "MD&A Date"). This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the Reporting Period and the Prior Period and the notes thereto (the "Financial Statements"). The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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 December 31, 2024 financial statements except for any new accounting standards/amendments adopted since that date which are described in this MD&A and in the Financial Statements. All amounts presented in this MD&A are stated in thousands of Canadian dollars, unless otherwise indicated.

Additional information relating to the Company, including the Company's annual information form for the financial year ended December 31, 2024 (the "AIF") and the Company's other continuous disclosure materials, are available on the Company's SEDAR+ profile at www.sedarplus.com. Due to rounding, certain totals and subtotals may not foot and certain percentages may not reconcile exactly.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A constitute "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws, and are based on assumptions, expectations, estimates and projections as of the MD&A Date. Forward-looking statements include statements with respect to projected revenues, earnings, growth rates, targets, revenue mix and product plans and the Company's future growth, results of operations, performance and business prospects and opportunities. The words "plans", "expects", "projected", "estimated", "forecasts", "anticipates", "intend", "guidance", "outlook", "potential", "prospects", "seek", "aim", "strategy", "targets" or "believes", or variations of such words and phrases or statements that certain future conditions, actions, events or results "will", "may", "could", "would", "should", "might" or "can", or negative versions thereof, "occur", "continue" or "be achieved", and other similar expressions, identify forward-looking statements. Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions, and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are outside of the Company's control and are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being entirely or partially incorrect or untrue. Forward-looking statements contained in this MD&A are based on various assumptions, including, but not limited to, the following: the requirement for increasingly innovative product solutions; the Company's ability to achieve its growth strategy; the demand for the Company's products and fluctuations in future revenues; equity and debt markets continuing to provide the Company with access to capital; the Company's ability to continue to operate as a going concern; the availability of future business ventures, commercial arrangements and acquisition targets or opportunities and the Company's ability to consummate them; the Company's ability to successfully integrate recent and future acquired businesses; currency exchange rates and interest rates; the effects of competition in the industry; trends in customer growth; the stability of general economic and market conditions; the Company's ability to comply with applicable laws and regulations; the Company's continued compliance with third party intellectual property rights and the risk factors noted below. By their nature, forward-looking statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections, or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved.

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

NON-IFRS MEASURES

The Company prepares its condensed interim consolidated Financial Statements in accordance with IFRS. However, this MD&A also includes certain measures which have not been prepared in accordance with IFRS, such as Adjusted EBITDA and Adjusted EBITDA Margin. These measures do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. These measures are provided as additional information to complement IFRS measures and provide a further understanding of the Company's results of operations from the management's perspective. These measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. These non-IFRS measures are used to provide investors with a supplemental measure of the Company's operating performance and thus highlight trends in the Company's core business that may not otherwise be apparent when relying solely on IFRS measures. The Company's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts, and to determine components of management compensation. The Company believes that each of these measures is an important supplemental measure of the Company's performance, primarily as a means of evaluating a company's underlying operating performance.

The term "Adjusted EBITDA" refers to net income (loss) before adjusting for acquisition related legal expenses, share-based payment expense, depreciation and amortization, net finance charges, income/loss from investments, expected credit losses, income tax expenses/recoveries, impairment charges, gains/losses on sublease contracts and fair value changes in contingent consideration. "Adjusted EBITDA Margin" refers to the percentage that Adjusted EBITDA for any period represents as a portion of total revenue for that period. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to net income (loss) or cash flows from operating activities as an indicator of the Company's performance or cash flows. Management uses these measures, and believes that they are useful to investors, to assist in identifying underlying operating trends and to allow for a comparison of the Company's operating performance on a consistent basis, and to provide an indication of the results generated by the Company's main business activities before considering temporal and non-cash items that are not associated with ongoing operations. For a reconciliation of these measures, see "*Results of Operations – Reconciliation of Adjusted EBITDA*."

KEY PERFORMANCE INDICATORS

Key performance indicators that the Company uses to manage its business and evaluate its financial results and operating performance include revenue, expenses, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, net income (loss) and earning (loss) per share. The Company evaluates its performance on these metrics by comparing its actual results to management budgets, forecasts, and prior period performance.

CORPORATE BACKGROUND

The Company was incorporated on July 18, 2012, under the Business Corporations Act (Ontario) and was continued under the Canada Business Corporations Act on January 4, 2021. The records office of the Company is located at 22 Adelaide St. W., Suite 3600, Toronto, ON M5H 4E3, and its registered and head offices are located at 460 College Street, Unit 301, Toronto, Ontario, M6G 1A1. The principal activities of the Company consist of AI and Data Sciences, Healthcare Software, and Clinical Research and Patient Services offerings. The authorized share capital of the Company is an unlimited number of Class A Subordinate Voting Shares ("Subordinate Voting Shares"), an unlimited number of Class B Multiple Voting Shares ("Multiple Voting Shares"), and an unlimited number of Preferred Shares. The Company completed an initial public offering on January 6, 2021, and its Subordinate Voting Shares are listed for trading on the Toronto Stock Exchange (the "Exchange"). On September 26, 2023, the name of the Company was changed from MCI Onehealth Technologies Inc. to HEALWELL AI Inc. ("HEALWELL").

BUSINESS OVERVIEW

Prior to October 1, 2023, the Company's revenue consisted primarily of provincially funded medical consultations delivered through the Company's two brick and mortar clinics. The Company also offered executive concierge medicine, technology-enabled rare disease screening, clinical research and pulmonary function testing services. Beginning on October 1, 2023, HEALWELL moved to transition its primary business to operate as a healthcare technology firm specializing in artificial intelligence ("AI") and data science solutions for preventive care. The Company is dedicated to enhancing healthcare outcomes and saving lives by leveraging proprietary technology to develop and commercialize advanced clinical decision support systems. These systems assist healthcare providers in detecting rare and chronic diseases, optimizing practice efficiency, and ultimately improving patient health outcomes. HEALWELL pursues a strategic approach focused on advancing and integrating technology and clinical sciences capabilities that align with its corporate roadmap.

HEALWELL's AI technologies process clinical information and patient records, structuring clinical data and applying AI algorithms to screen records. This aids in identifying patients at high risk for specific conditions and those with unmet therapeutic needs. Early detection and HEALWELL's AI tools enhance physician workflows, ensuring comprehensive patient care.

The Company's Subordinate Voting Shares are listed on the Toronto Stock Exchange under the symbol "AIDX" and on the OTCQX Market under the symbol "HWAIF".

WELL Health Strategic Alliance

The Company's data driven insights business aims to take advantage of the unique ecosystem of clinics to which the Company can obtain access through its strategic alliance with WELL Health Technologies Corp. ("WELL"), who owns and operates the largest network of primary care, diagnostic and specialty clinics in Canada. The strategic alliance agreement allows the Company to accelerate the growth and development of its AI-enabled healthcare technologies and to leverage those technologies for the benefit of WELL's care providers and their patients. It also sets up a framework under which both companies plan to co-develop and roll out AI based decision support tools to WELL's network of clinics and providers, establishing a unique relationship between the two companies to harness their collective resources and expertise to drive growth and enhance the experience of doctors and patients in WELL's clinics. It is also expected that the companies will collaborate on capital allocation opportunities within the AI enabled digital health marketplace particularly as it relates to helping doctors detect and diagnose diseases as early as possible.

M&A Strategy

HEALWELL is executing a strategy centered around developing and acquiring technology and clinical sciences capabilities that complement the Company's road map. With this strategy, HEALWELL is targeting AI and data science companies that expand current capabilities and disease/therapeutic indications along with technology and healthcare software companies that provide access to additional clinical information and mature recurring revenue.

On December 1, 2023, HEALWELL acquired a majority interest in Pentavere Research Group Inc. ("Pentavere"), one of Canada's leading healthcare AI companies focused on early disease detection. Pentavere is a healthcare AI company that helps identify patients for approved medications or interventions – finding patients that have fallen through the cracks. Pentavere has developed and validated AI capabilities in data structuring and abstraction, a key competency to unlocking clinical value for patients and providers and a proven track record in commercialization of real-world evidence studies adding 5 new pharma relationships to the HEALWELL ecosystem.

On February 1, 2024, HEALWELL acquired 100% shares of Intrahealth Systems Limited ("Intrahealth"), an enterprise grade healthcare software Company, which gives HEALWELL access to 15,000 healthcare service providers across provides multiple jurisdictions and the Company with a potential platform to deploy its artificial intelligence technology. Intrahealth is a SaaS based multi-national healthcare software provider supporting clinicians in its global network across Canada, Australia and New Zealand.

On July 1, 2024, HEALWELL acquired 100% shares of Bio Pharma Services Inc. ("BioPharma"), a clinical research business specializing in the conduct of Phase 1/2a and Bioequivalence clinical trials for international pharmaceutical companies worldwide. Following its acquisition, BioPharma was integrated with the Company's existing contract research organization, Canadian Phase Onward ("CPO"), expanding its capabilities to include late-stage patient trials.

On July 1, 2024, HEALWELL also acquired 100% shares of VeroSource Solutions Inc. ("VeroSource"), which offers an end-to-end, customizable, cloud-based solution that enables people, clinicians, and decision-makers to seamlessly access and work with healthcare data. The VeroSource platform helps customers in digital transformation, integration of systems, adoption with right-fit cloud services, advanced analytics, enterprise resource planning and IT strategy.

On November 1, 2024, HEALWELL also acquired a majority interest in Mutuo Health Solutions Inc. ("Mutuo"), which specializes in developing and operating innovative technology that includes the AutoScribe web application. Mutuo is a Software-as-a-Service (SaaS) platform that utilizes artificial intelligence to automate medical transcription and note generation for healthcare professionals. The company's flagship product, AutoScribe, transcribes clinician-patient conversations into accurate medical notes in real time, integrated seamlessly with Electronic Medical Records (EMR) systems such as PS Suite, Oscar EMR, Cerner, and Epic.

On April 1, 2025, after the end of the Reporting Period but prior to the MD&A Date, HEALWELL acquired 100% of the shares of Auckland, New Zealand based Orion Health Holdings Limited ("Orion Health"), a subscription license and service revenue business serving marquee public sector clients globally with data interoperability and healthcare navigation products and services. Orion Health has close to 400 employees with offices in 11 countries globally. Its software solutions currently support over 70 public and private sector customers representing a population of 150 million lives worldwide.

Revenue Sources

HEALWELL generates revenue from three sources.

AI and Data Sciences: The Company's AI and Data sciences revenues stem from pioneering the integration of advanced AI and data science technologies in healthcare through its Khure Health Inc. ("Khure"), Pentavere and Mutuo subsidiaries. These divisions leverage cutting-edge AI algorithms and sophisticated analytics to analyze extensive clinical datasets, extracting actionable insights. This empowers healthcare providers with early disease detection capabilities, optimizing patient care pathways for swift and accurate diagnosis and treatment. HEALWELL's AI and Data Sciences segment, which primarily operates on recurring revenue models, has historically achieved gross margins exceeding 25%, driven by robust growth. Serving a diverse clientele including pharmaceuticals, life sciences firms, and precision medicine pioneers, HEALWELL remains at the forefront of transformative healthcare technologies.

Healthcare Software: The Company benefits from revenue generated by Intrahealth's and VeroSource's healthcare software-as-a-service ("SaaS") offerings, catering to healthcare providers, hospitals, and clinics across Canada, Australia, and New Zealand. The Intrahealth and VeroSource SaaS models historically deliver over 50% gross margins, respectively. A significant portion of this revenue derives from high margin recurring sources, reflecting their extensive customer network of over 15,000 healthcare service providers. Commencing April 1, 2025, Orion Health revenue will be incorporated as part of the Healthcare Software Segment. The integration of HEALWELL AI into Orion Health's Amadeus and Virtuoso platforms is anticipated to be highly synergistic, unlocking new opportunities in population health management, clinical research, and preventive care.

Clinical Research and Patient Services: Revenue from Clinical Research and Patient Services encompasses clinical research contracts and revenue from medical consultations provided through the Company's MCI Polyclinic Group Inc. ("MCI Polyclinic") and BioPharma subsidiaries in Ontario. Clinical research revenue is contract-based with major pharmaceutical clients, while medical consultations are billed per visit. Historically, revenue from Clinical Research and Patient Services has generated gross margins in the upper 36% range and positive Adjusted EBITDA.

OPERATIONS FOR THE REPORTING PERIOD

Operational Highlights (Q1 2025 Reporting Period)

The Company's operational highlights during the Reporting Period, included the following:

Revenue Changes: Revenue from continuing operations during the Reporting Period increased by approximately 208% over the Prior Period. HEALWELL's acquisitions of Intrahealth, BioPharma, VeroSource and Mutuo added the majority of the growth, accounting for a combined $14,088 of revenue in quarter ended March 31, 2025. From an organic standpoint, revenue from HEALWELL's legacy business units Khure, The Quit Clinic Inc. ("Quit Clinic"), a subsidiary of MCI Polyclinic and Pentavere, increased by $1,418, a near 56% increase over the prior quarter ended March 31, 2024.

Q1 Financing Activities: On January 21st 2025, the Company closed the $25,500 equity tranche of its upsized bought deal financing, which it previously announced in December 2024. On January 28th, 2025 the Company closed the $30,000 convertible debt tranche of the same upsized bought deal financing. On February 26th, 2025 the Company signed a $50,000 credit agreement led by Scotiabank and RBC. These financings were completed to support the acquisition of Orion Health.

Expense Optimization: During the Reporting Period the Company undertook a strategic cost optimization initiative to streamline operations and pursue M&A efficiencies. The restructuring initiatives were aimed at positioning the Company for long-term growth and are expected to yield at least $3,000 in annual cost savings. The right-sizing initiative was designed to streamline operations ahead of the Orion Health acquisition integration process and included headcount reductions, cutting public company costs and decreasing marketing expenses.

Results of Operations

A summary of the financial results of the Company's operations during the three-months ended March 31, 2025 and March 31, 2024 is as follows:

	Three-months ended March 31		**Period over period Change**	
	2025	**2024**	**$**	**%**
	($ in thousands except percentages)			
Continuing operation				
Revenue	14,088	4,579	9,509	208
Cost of Revenue	7,553	2,573	4,980	194
Gross Profits	**6,535**	**2,007**	**4,528**	**226**
Research and development	1,649	742	907	122
Sales and marketing	1,108	300	808	269
General and administrative	9,843	3,976	5,867	148
Depreciation of property equipment	274	224	50	22
Amortization of intangible assets	1,883	1,720	163	9
Stock compensation	3,367	481	2,886	600
	18,124	**7,443**	**10,681**	**144**
Net financing expenses	1,322	673	649	96
Changes in fair value of Call options	211	400	(189)	(47)
Changes in fair value of contingent consideration	557	-	557	-
Changes in fair value of investments	641	-	641	-
	2,731	**1,073**	**1,658**	**155**
Loss before taxes	(14,320)	(6,509)	(7,811)	120

Income tax recovery	(265)	(234)	(31)	13
Net loss for the period on continuing operation	(14,055)	(6,275)	(7,780)	124
Net loss on discontinued operations, net of tax	-	(11)	11	(100)
Net loss for the period	(14,055)	(6,286)	(7,769)	124

	Three-months ended March 31		**Period over period Change**	
	2025	**2024**	**$**	**%**
	($ in thousands except percentages)			
<u>Continuing operation</u>				
Adjusted EBITDA (1)	(3,276)	(2,486)	(790)	32
Adjusted EBITDA margin (1)	(23)	(54)	31	(57)
<u>Discontinued operation</u>				
Adjusted EBITDA [1]	-	(10)	10	(100)
Adjusted EBITDA margin [1]	-	(4)	4	(100)
Net loss attributable to Company shareholders				
- Continuing operation	(13,753)	(5,916)	(7,837)	132
- Discontinued operation	-	(11)	11	(100)
	(13,753)	(5,927)	(7,826)	132
Weighted average number of Of Share outstanding: Basic and diluted	171,905	103,898		
Net loss per share -Basic and diluted				
- Continuing operation	(0.08)	(0.06)		
- Discontinued operation	-	(0.00)		
	(0.08)	(0.06)		

(1) The Company has amended the Adjusted EBITDA calculation in Q4 2024 to remove "Other Expenses" as an add-back to Adjusted EBITDA, which has changed the Q1 2024 – Q3 2024 Adjusted EBITDA.

<u>Reconciliation of Non-IFRS Measures</u>

A reconciliation of the non-IFRS measures Adjusted EBITDA and Adjusted EBITDA Margin to net income (loss) for the three-months ended March 31, 2025 and March 31, 2024, is set out below:

	Three-months ended March 31	
	2025	2024
	$ in thousands	
Total Revenue		
- Continuing operation	14,088	4,579
- Discontinued operation	-	235
	14,088	4,814
Net loss		
- Continuing operation	(14,055)	(6,275)
- Discontinued operation	-	(11)
	(14,055)	(6,286)
Add back (deduct)		
Continuing operation		
Depreciation and amortization	2,157	1,944
Net finance charges	1,322	673
Restructuring cost	332	-
Changes in fair value of Call options	211	400
Changes in fair value of contingent consideration	557	-
Changes in fair value of investments	641	-
Share-based payment expense	3,367	481
Acquisition related expenses	2,457	525
Income taxes (recovery)/expense	(265)	(234)
Discontinued operation		
Net finance charges	-	1
Adjusted EBITDA		
- Continuing operation	(3,276)	(2,486)
- Discontinued operation	-	(10)
Adjusted EBITDA Margin		
- Continuing operation	(23)	(54)
- Discontinued operation	-	(4)

(2) The Company has amended the Adjusted EBITDA calculation in Q4 2024 to remove “Other Expenses” as an add-back to Adjustment EBITDA, which has changed the Q1 2024 – Q3 2024 Adjusted EBITDA.

Comparison of the three-months ended March 31, 2025 and March 31, 2024

Revenue

	($ in thousands except percentages)							
	Three-months ended March 31							
	2025			2024			Period over Change	
	Continuing operation	Discontinued operation	Total	Continuing operation	Discontinued operation	Total	$	%
AI and Data Science	2,310	-	2,310	712	-	712	1,598	224
Healthcare Software	5,680	-	5,680	2,036	-	2,036	3,644	179
Clinical Research and Patient services	6,098	-	6,098	1,831	235	2,066	4,266	233
	14,088	-	14,088	4,579	235	4,814	9,508	208

Total revenue from continuing operations for the three-months ended March 31, 2025, was $14,088, an increase of $9,509 (208%) over the total revenue of $4,579 recognized in the comparable period in 2024. Approximately 28% ($1.4 million) of the period over period revenue growth was from HEALWELL's legacy business units, Khure, Pentavere, Polyclinic and CPO. Acquisitions accounted for approximately 72% of total revenue growth period over period. These additions include Intrahealth in Q1 2024, BioPharma and VeroSource in Q3 2024 and Mutuo in Q4 2024. The period also reflects the inclusion of Pentavere revenues under the AI and Data Sciences segment, along with improvements in the Company's Clinical Research and Patient Services division at MCI Polyclinic.

AI and Data Sciences – The Company's AI and Data Sciences revenue for the three-months ended March 31, 2025, was $2,310, an increase of $1,598 (224%) over the AI and Data Sciences revenue of $712 recognized in the comparable period in 2024. With the inclusion of Pentavere, the AI and Data Sciences segment continues to grow as their innovative capabilities are increasingly introduced and adopted in the pharmaceutical vertical.

Healthcare Software – The Company's Healthcare Software revenue for the three-months ended March 31, 2025, was $5,680, an increase of $3,644 (179%) over the Healthcare Software revenue of $2,036 recognized in the comparable period in 2024. This is a new revenue segment for HEALWELL first introduced in 2024. It has benefited from the new revenue streams generated from Intrahealth, acquired on February 1, 2024, and VeroSource, acquired on July 1, 2024. This segment includes recurring and non-recurring revenue derived from software solutions for public and private healthcare institutions requiring electronic medical records management and digital front door capabilities.

Clinical Research and Patient Services– The Company's Clinical Research and Patient Services revenue from continuing operations for the three-months ended March 31, 2025, was $6,098, an increase of $4,266 (233%) from the Clinical Research and Patient Services revenue of $1,831 recognized in the comparable period in 2024. The increase was driven by the inclusion of BioPharma revenues for the full quarter along with incremental revenue from CPO and Quit. BioPharma's revenue is derived from Bioequivalence and Phase 1 studies.

Cost of Revenue

Cost of revenue from continuing operations for the three-months ended March 31, 2025, was $7,553, an increase of $4,980 (194%) over the cost of revenue of $2,573 recognized in the comparable periods in 2024. Cost of revenue represents the direct costs to deliver/deploy solutions/clinical studies for customers as well as expenditures to support technology deployed in multi-year contracts. These costs have increased for the three-month March 31, 2025, due to the acquisitions of Pentavere, Intrahealth, Biopharma, VeroSource and Mutuo.

Gross Profit Margin

Total gross profit margin from continuing operations for the three-months ended March 31, 2025, was 46% compared to 44% in the comparable period in 2024. The increase is due to the acquisitions of both Verasource and Mutuo and strong performance in the Khure business.

Operating Expenses

Total operating expenses from continuing operations for the three-months ended March 31, 2025, was $18,124, an increase of $10,681 (144%) over the total operating expenses of $7,443 in the comparable period in 2024. The reasons for the change in operating expenses are described in greater detail under each category of expenses set out below.

Research and Development Expenses

Research and development expenses from continuing operations for the three-months ended March 31, 2025 were $1,649, an increase of $907 (122%) over the research and development expenses of $742 recognized in the comparable periods in 2024. The growth period over period in this expense line was due to the Company's focus on AI and Data Sciences and Heathcare Software segments. This was largely propelled by the acquisitions of Intrahealth, VeroSource and Mutuo. As a percentage of revenue, research and development expenses were 12% for the three-months ended March 31, 2025, compared to 16% in the comparable period in 2024. The Company is investing some of the proceeds from its recent financings to continue to expand the features, accessibility and functionality of its Khure rare disease screening offerings and enable ongoing development of its software-based offerings at its Pentavere, Intrahealth and VeroSource subsidiaries.

Sales and Marketing Expenses

Sales and marketing expenses from continuing operations for the three-months ended March 31, 2025 were $1,108, an increase of $808 (269%) over the sales and marketing expenses of $300 recognized in the comparable period in 2024. The increase was due primarily to the acquisitions of Intrahealth, Verasource and Mutuo. As a percentage of revenue, sales and marketing expenses were 8% for the three-months ended March 31, 2025, compared to 7% in the comparable period in 2024 due to the aforementioned factors.

General and Administrative Expenses

General and administrative expenses from continuing operations for the three-months ended March 31, 2025, was $9,843, an increase of $5,867 (148%) over the general and administrative expenses of $3,976 recognized in the comparable periods in 2024. As a percentage of revenue, general and administrative expenses were 70% for the three-months ended March 31, 2025, compared to 87%, in the comparable period in 2024. General and administrative costs increased due to the substantial increase in transaction expenses associated with the Orion Health transaction. The Company expects to tightly manage its general and administrative expenses going forward, to enable more focus in investment on technology and research offerings and the continued development of the "HEALWELL" brand.

Finance Cost

Finance charges for the three-months ended March 31, 2025, was $1,322, an increase of $649 (96%) over the finance cost of $673 recognized in the comparable period in 2024.

Net loss and loss per share

The Company reported a net profit (loss) from continuing operations for the three-months ended March 31, 2025 of $(14,055), or $(0.08) per share (basic and diluted), compared to a net loss of $(6,275), or $(0.06) per share (basic and diluted), for the comparable period in 2024. Losses from continuing operations for the three-months ended March 31, 2025 were driven by operations from restructuring efforts, transaction costs related to the Orion Health acquisition, and and an increase in stock based compensation expenses. The Company reported a net loss from continuing and discontinued operations for the three-months ended March 31, 2025, of $(14,055), or $(0.08) per share (basic and diluted), compared to a net loss of $(6,286), or $(0.06) per share (basic and diluted), for the comparable period in 2024.

The Company reported a net loss from discontinued operation for the three-months ended March 31, 2025 of $nil, or $nil per share (basic and diluted), compared to a net loss of $(11), or $(0.00) basic and diluted), for the comparable period in 2024.

Adjusted EBITDA

Adjusted EBITDA from continuing operations for the three-months ended March 31, 2025, was a loss of $(3,276), an increase of $790 (32%) over the Adjusted EBITDA of $(2,486) recognized in the comparable periods in 2024. Adjusted EBITDA Margin was (23)% in the three-months ended March 31, 2025, as compared to Adjusted EBITDA Margin of (54)% in the comparable period in 2024.

SUMMARY OF QUARTERLY RESULTS

	Quarters ended							
	Mar 31, 2025	**Dec 31, 2024**	**Sep 30, 2024**	**June 30, 2024**	**Mar 31, 2024**	**Dec 31, 2023**	**Sep 30, 2023**	**June 30, 2023**
Revenue [1]	14,088	15,211	13,740	5,442	$4,579	$1,921	$2,753	$3,177
Net loss	(14,055)	(11,804)	(11,120)	2,540	(6,286)	(6,759)	(7,743)	(9,813)
Weighted average number of shares Basic and diluted (in thousands) [1]	171,905	135,561	124,612	111,204	103,898	64,733	53,870	53,870
Net loss per share Basic and diluted	(0.08)	(0.09)	(0.06)	0.02	(0.06)	(0.10)	(0.14)	(0.18)

(1) – The Company has amended the weighted average number of shares calculation in Q4 2024, which is has changed the reported weighted average number of shared in Q1 2024 – Q3 2024.

Due to the significant impact of the strategic transaction with WELL that resulted in the sale of the Company's healthcare operations in Alberta and Ontario and recapitalization of the Company (the "**Strategic Transaction**") on the operational and financial composition of the Company, the significant acquisitions and financings that have been completed since the date of the

Strategic Transaction, and the change in strategic focus of the Company to emphasize its data-driven, AI-enabled technology offerings, management is of the view that the Company's performance in the quarters preceding the closing of the Strategic Transaction on October 1, 2023 are unlikely to be indicative of any future performance trends. Management would expect quarterly results to continue to fluctuate given the integration of new acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

As at the end of the Reporting Period, the Company held cash of $18,434 (December 31 2024 - $9,413), as compared to cash of $11,340 as at March 31, 2024. The Company's approach to managing liquidity is to ensure, to the extent possible, that it always has sufficient liquidity to meet its liabilities as they come due. The Company does so by continuously monitoring cash flow and actual operating expenses compared to budget. The Company has historically financed its operations through a combination of operating revenue, as well as related and third-party debt, and equity issuances.

The following table provides a summary of cash inflows and outflows by activity:

	March 31 2025	**March 31 2024**
	$ in thousands	
Operating activities	(4,032)	(4,645)
Investing activities	(86,801)	(2,733)
Financing activities	99,756	(177)
Currency Translation Reserve	98	(267)
Net cash flows decrease in cash	**9,021**	**(7,822)**
Beginning cash and cash equivalents	9,413	19,162
Ending cash and cash equivalents	**18,434**	**11,340**

The Company used cash of $4,032 in operating activities for the quarter ended March 31, 2025, (2024 – cash used of $4,645). Cash consumption was largely driven from net losses and $2,267 of cash generated was attributable to movements in non-cash working capital from continuing operations with changes arising from decreases in accounts receivable & other assets.

Net Cash Flows from Financing Activities

Net cash generated from financing activities during the period ended March 31, 2025, was $99,756 (2024 - cash used $177). Cash generated from financing activities primarily relates to $23,595 from equity issuances, $44,500 of net receipts from loan and $26,636 of net receipts from debentures issuance

Cash from Investing Activities

During the period ended March 31, 2025, net cash used in investing activities was $86,801 (2024 - $2,733), which consists of the funds held in escrow in Orion for $82,436, an advance against the Orion investment for $4,114, the purchase of certain property and equipment for $33, and intangible assets for $260.

Capital Management

The Company aims to effectively manage its capital to support its growth strategy, finance research and development for new products, pursue strategic acquisitions, and meet day-to-day operational needs, all while adopting a prudent approach to financial risk management.

Capital structure decisions consider factors such as business growth and infrastructure development. Senior management oversees capital management through regular meetings and reviews of financial performance, with oversight from the board of directors. The Company strives to maintain sufficient capital resources to optimize operational cash flows and enhance shareholder returns, recognizing potential impacts from uncertain future cash flows on its capital management strategy.

CONTRACTUAL OBLIGATIONS

As at the end of the Reporting Period, the Company's contractual commitments included operating leases for office equipment and facilities, liability for contingent consideration and non-controlling interest redeemable liability.

	March 31, 2025		
	< 1 year	**2 – 5 years**	**Over 5 years**
Lease liabilities	1,224	4,396	1,374
Accounts payable and accrued liabilities	12,108	-	-
Acquisitions related payables	2,698	-	-
Loan payable	-	46,258	-
Related party loan	6,095	6,619	-
Debenture payable	-	21,703	-
Non-controlling interest redeemable liability	-	-	-
Liability for contingent consideration	2,711	2,555	-
	24,836	**81,531**	**1,374**

Except as set out above, the Company does not have any other business arrangements or derivative financial instruments that would have a significant effect on its assets and liabilities as at the end of the Reporting Period.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any material off-balance sheet arrangements as at the end of the Reporting Period or the Prior Period.

TRANSACTIONS WITH RELATED PARTIES

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, 2025	**December 31, 2024**
WELL Health Technologies Corp		
Debenture payable	-	2,996
Operating loan payable	5,128	676
Deferred consideration - Intrahealth	642	642
Convertible principal amount promissory note including accrued interest	5,400	5,300
Holdback – Intrahealth	606	606
Holdback – MCI Alberta	(150)	(150)

Related parties of Intrahealth System Limited		
Operating loan payable	325	462
Management and Board members		
Debenture payable	763	726
	-	-
	12,714	11,258
Less: current portion	(6,095)	(1,780)
	6,619	9,478

b) Related party transactions

	2025	2024
WELL Health Technologies Corp.		
Interest on loan advances	-	293
Transition services	384	151
Interest on Debentures	142	121
Interest on promissory notes	100	-
Management and Board members		
Interest on debentures payable	38	38

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

FINANCIAL RISK MANAGEMENT

In the normal course of its business, the Company engages in operating and financing activities that generate risks in the following primary areas:

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 March 31, 2025:

	March 2025		
	< 1 year	2 – 5 years	Over 5 years
Lease liabilities	1,224	4,396	1,374
Accounts payable and accrued liabilities	12,108	-	-
Acquisition related payables	2,698		
Loan payables	-	46,258	-
Related party loan	6,095	6,619	-
Debenture payables	-	21,703	-

Non-controlling interest redeemable liability	-	-	-
Liability for contingent consideration	2,711	2,555	-
	24,836	**81,531**	**1,374**

The Company's liquidity position has strengthened as of the period ended March 31, 2025. The Company has cash of $18,434 as at March 31, 2025 (December 31, 2024 - $9,413) and the Company has access to a $5,500 LOC as part of the debt agreement it signed with The Bank of Nova Scotia during the reporting period (Note 31). As described in Note 31 of the Financial Statements, the Company announced entering into an agreement to acquire Orion Health, and in Q1 2025, closed an upsized bought deal financing for $55,500 and a $50,000 debt facility. The bought deal financing and the debt facility, along with the issuance of HEALWELL shares, will be used to fund the acquisition. With the anticipated close of the Orion Health acquisition on April 1, 2025 and the positive cash flows expected as a result of the acquisition along with achieving certain cost reductions, 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 March 31, 2025.

	Dec 2024		
	< 1 year	**2 – 5 years**	**Over 5 years**
Lease liabilities	1,230	3,983	1,953
Accounts payable and accrued liabilities	9,605	-	-
Acquisitions related payables	6,596	-	-
Loan payable	182	1,816	`
Related party loan	1,780	9,478	-
Debenture payable	-	3,945	-
Liability for contingent consideration	1,940	3,735	-
	21,333	**22,957**	**1,953**

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 concentration of credit risk as 19% (2024 - 25%) 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 across numerous jurisdictions. 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) **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 science and Healthcare software:** These receivables are comprised primarily of recognizable pharmaceutical, healthcare and government operated agencies, some of which are larger Fortune 500 corporations. To date, HEALWELL has not 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.

c) 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.

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:

	March 2025	December 2024
Cash	18,434	9,413
Accounts receivable	7,633	5,969
Call options and warrants	2,040	2,251
Lease receivables	907	635
Investments in equity securities	3,473	4,114
Other Assets	2,426	2,466
Accounts payable and accrued liabilities	(12,108)	(9,605)
Acquisitions related payable	(2,698)	(6,596)

Loan Payable	(46,258)	(1,792)
Related party loan	(12,714)	(11,258)
Lease liabilities	(5,996)	(6,183)
Debenture payable	(21,703)	(2,970)
Liability for contingent consideration	(5,266)	(4,495)

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.

Convertible debentures: Convertible debentures are valued using a discounted cash flow model for the liability component and an option pricing model (e.g., Black-Scholes) for the equity component, in accordance with IFRS.

There were no transfers of assets or liabilities during the three-months ended March 31, 2025 (2024 - nil) between any levels within the fair value hierarchy.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

General

The preparation of condensed interim financial statements is based on accounting principles and practices consistent with those used in the preparation of March 31, 2025 interim consolidated financial statements.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") as defined under National Instrument 52-109 ("NI 52-109"). As at the end of the Reporting Period, the Chief Executive Officer and Chief Financial Officer have reviewed the design and operation of these DC&P, which were not limited in any way, and concluded that there were no material weaknesses in the Company's DC&P, and that material information relating to the Company was made known to them and was recorded, processed, summarized and reported within the time period specified under applicable securities legislation.

Internal Controls over Financial Reporting

Management is responsible for designing and maintaining internal controls over financial reporting ("ICFR") as defined under NI 52-109. As at the end of the Reporting Period, the Chief Executive Officer and Chief Financial Officer have reviewed the design and operation of these ICFR, which was not limited in any way, and concluded that there were material weaknesses in the Company's ICFR. In particular, the Company's protocols for the oversight and review of accounting for (a) non-routine and complex transactions; and (b) the consolidation workbook and certain consolidation entries; was insufficient, particularly having regard to the complexity of the Strategic Transaction and other complex transactions completed in the last 12-18 months. Management has evaluated the impact of these deficiencies on its financial reporting and does not believe that they have materially impacted on the accuracy or reliability of the Financial Statements or this MD&A, however, these weaknesses in the design of the Company's ICFR increase the risk that material misstatements may occur, particularly if the Company continues to complete complex and non-routine transactions in future reporting periods. Management is in the process of evaluating the weaknesses and related processes to strengthen its ICFR to improve their effectiveness in providing reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with IFRS using the Committee of Sponsoring Organizations of the Treadway Commission Framework (2013).

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, whether there were changes to the Company's ICFR during the Reporting Period that have materially affected or are reasonably likely to materially affect the Company's ICFR. No such changes were identified through their evaluation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, the Company's disclosure controls, and procedures and its internal controls over financial reporting are effective in providing reasonable, not absolute assurance that the objectives of its control systems have been met.

SHARE CAPITAL

Issued :

	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**
Share Issuances, net of share issuance costs	14,815,000	18,751	
Acquisition Related Share Issuances			
Intrahealth (at $0.69 per share)	21,682,465	14,961	
Verosource (at $2.50 per share)	5,722,250	14,306	

BioPharma (at $2.50 per share)	2,599,496	6,499	
Mutuo (at $1.27 per share)	1,945,336	2,380	
Conversion of debentures	5,641,838	947	
Share warrant Exercises			
Broker warrants at			
Exercise price of $0.75	699,801	889	
Exercise price of $0.80	183,937	237	
Exercise price of $1.80	287,500	518	
Bought Deal warrants at			
Exercise price of $1.20	3,571,350	4,285	
Debenture warrants at			
Exercise price of $0.20	22,010,000	4,402	
Settlement of RSU's, PSU's & DSU's	833,276	2,484	
Other			
Release of service	850,000	2,057	
Balance – December 31, 2024	**168,829,039**	**140,084**	**30,800,000**
Issuance of Subordinate Voting Shares against warrants exercised	21,312,500	4,575	
Share issuance, net of share issuance costs	12,737,500	23,595	
Issuance of Subordinate Voting Shares against conversion of debentures	22,969,863	3,900	
Issuance of Subordinate Voting Shares against RSU, PSU & DSU and options	54,991	103	
Balance- March 31, 2025	**225,903,893**	**172,257**	**30,800,000**

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, May 2024 and January 2025 bought deal financings:

Share Warrant Type & Date	Share Warrants	Exercise Price	Fair Value	Exercised	Net Outstanding
Broker Warrants					
December 22, 2023	678,563	0.80	0.49	-	678,563
May 22, 2024	586,677	1.35	1.10	-	586,677
May 22, 2024	7,120,000	1.80	1.01	-	7,120,000
January 21, 2025	453,750	2.08	1.34	-	453,750
January 28, 2025	455,000	2.40	1.18	-	455,000
Bought Deal Warrants					
December 22, 2023	3,616,150	1.20	0.52	312,500	3,303,650
January 21, 2025	6,368,750	2.50	0.02	-	6,368,750
Debenture Warrants					
October 1, 2023	27,990,000	0.20	0.20	21,000,000	6,990,000

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 respective measurement date:

	March 31, 2025
Risk free rate	4.05%-4.15%
Expected life (years)	3-4
Volatility	121.51%-124.01%
Underlying stock price	$1.65-$1.86
Strike price	$0.20 - $2.50

Changes in cost categories

During the prior year, Management decided to change certain cost categories in order to reflect the updated cost structure for the preparation of the financial statements for the year ended December 31, 2024. This change did not affect the previously reported profits or equity of the Company. The table below shows the change in different cost categories for relevant quarter of 2024:

	Q1 - 2024			Q2 - 2024			Q3 - 2024			Q4 - 2024			Year ended December 31, 2024		
	($ in thousands)			($ in thousands)			($ in thousands)			($ in thousands)			($ in thousands)		
	Reported	Revised	Change $	Reported	Revised	Change $	Reported	Revised	Change $	Reported	Revised	Change $	Reported	Revised	Change $
Continuing operations															
Revenue	**4,579**	**4,579**	**-**	**5,442**	**5,442**	**-**	**13,740**	**13,740**	**-**	**15,211**	**15,211**	**-**	**38,972**	**38,972**	**-**
Cost of Revenue (1)	2,190	2,573	383	2,129	2,980	851	8,278	7,851	(427)	8,253	8,253	-	20,850	21,657	(807)
Gross profit	**2,389**	**2,006**	**(383)**	**3,313**	**2,462**	**(851)**	**5,462**	**5,889**	**427**	**6,958**	**6,958**	**-**	**18,122**	**17,315**	**807**
Operating Expenses															
General and administrative (2)	6,149	3,976	(2,173)	8,346	5,149	(3,197)	12,976	9,201	(3,775)	13,852	9,929	(3,923)	41,323	28,255	13,068
Research and development (3)	916	742	(174)	800	1,114	314	181	1,090	909	2,849	2,849	-	4,746	5,795	(1,049)
Sales and marketing (4)	760	300	(460)	1,503	368	(1,135)	2,875	992	(1,883)	721	721	-	5,859	2,381	3,478
Depreciation of property equipment (5)	-	72	72	-	74	74	-	170	170	-	80	80	-	396	(396)
Depreciation of right-of-use assets (5)	-	152	152	-	112	112	-	239	239	-	182	182	-	685	(685)
Impairment of right-of-use assets (5)	-	-	-	850	-	(850)	-	-	-	-	-	-	850	-	850
Amortization of intangible assets (5)	-	1,720	1,720	-	2,027	2,027	-	1,530	1,530	-	940	940	-	6,217	(6,217)
Impairment charges	-	-	-	-	850	850	-	-	-	4,535	4,535	-	4,535	5,385	(850)
Stock compensation (6)	-	481	481	-	702	702	-	3,237	3,237	-	2,721	2,721	-	7,141	(7,141)
Operating expenses	**7,825**	**7,443**	**(383)**	**11,499**	**10,396**	**(1,103)**	**16,032**	**16,459**	**427**	**21,957**	**21,957**	**-**	**57,313**	**56,255**	**1,058**
Loss before other expense (income) and taxes	**(5,436)**	**(5,436)**	**-**	**(8,186)**	**(7,934)**	**252**	**(10,570)**	**(10,570)**	**-**	**(14,999)**	**(14,999)**	**-**	**(39,191)**	**(38,940)**	**251**
Financing expenses	673	673	-	622	487	(135)	541	383	(158)	429	429	-	2,265	1,972	293
Other income	-	-	-	(159)	-	159	(158)	-	158	-	-	-	(317)	-	(317)
Changes in fair value of call options	400	400	-	250	250	-	250	250	-	50	50	-	950	950	-
Changes in fair value of investments	-	-	-	-	-	-	-	-	-	(277)	(277)	-	(277)	(277)	-
Changes in fair value of contingent consideration	-	-	-	-	-	-	150	150	-	(2,730)	(2,730)	-	(2,580)	(2,580)	-
Loss on fixed assets writeoff	-	-	-	-	228	228	-	-	-	-	-	-	-	228	(228)
Debt forgiveness	-	-	-	(7,863)	(7,863)	-	-	-	-	-	-	-	(7,863)	(7,863)	-
Liability extinguishment	-	-	-	(3,088)	(3,088)	-	-	-	-	-	-	-	(3,088)	(3,088)	-
Loss before taxes	**(6,509)**	**(6,509)**	**-**	**2,052**	**2,052**	**-**	**(11,353)**	**(11,353)**	**-**	**(12,471)**	**(12,471)**	**-**	**(28,282)**	**(28,282)**	**-**
Income tax expense / (recovery)	(234)	(234)	-	(531)	(531)	-	(233)	(233)	-	142	142	-	(856)	(856)	-
Net loss for the period on continuing operations, net of tax	**(6,276)**	**(6,276)**	**-**	**2,583**	**2,583**	**-**	**(11,120)**	**(11,120)**	**-**	**(12,613)**	**(12,613)**	**-**	**(27,426)**	**(27,426)**	**-**
Net profit on discontinued operations, net of tax	(11)	(11)	-	(43)	(43)	-	-	-	-	-	-	-	(54)	(54)	-
Net loss for the period	**(6,287)**	**(6,287)**	**-**	**2,540**	**2,540**	**-**	**(11,120)**	**(11,120)**	**-**	**(12,613)**	**(12,613)**	**-**	**(27,480)**	**(27,480)**	**-**

1) 2024 previously reported quarterly cost of revenue included amortization of intangibles which has been reported as a separate item under operating expenses in the revised reporting format. Also some of the employee related costs directly related to revenue generation previously reported in operating expenses has been moved here.

2) 2024 previously reported quarterly general and administrative (G&A) expenses included depreciation and stock based compensation which has been reported as seperate items under revised reporting format. Also employee related expenses has been subsequently analysed according to their function and grouped appropriately in the revised classification.

3) 2024 previously reported quarterly research and development (R&D) costs included amortization of intangibles which has been reported as a separate item under operating expenses in the revised reporting format. Also employee related expenses has been subsequently analysed according to their function and grouped appropriately in the revised classification.

4) 2024 previously reported quarterly sales and marketing (S&M) costs included amortization of intangibles which has been reported as a separate item under operating expenses in the revised reporting format. Also employee related expenses has been subsequently analysed according to their function and grouped appropriately in the revised classification.

5) 2024 previously reported quarterly depreciation related expenses were categorized under general and administrative expenses and this has been classified seperately under the revised classification. Amortization which was reported in in previously reported quarters for 2024 under cost of revenue, research and development, sales and marketing has been aggregated and reported as a seperate item under revised reporting

6) 2024 previously reported quarterly general and administrative expenses included stock based compensation which has been reported as a separate item under operating expenses in the revised reporting format.

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 claim is at the stage of document discovery. There has been no movement on the claim in five years and management suspects that it has been abandoned. 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.

During the year ended December 31, 2024, HEALWELL filed two notices of objections ("NOO") for the month of December 2022 against GST/HST payable of $181 and for the period June 1, 2022 to March 31, 2024 against GST/HST payable of $1,209. The NOOs have not been heard and it is too early to make a determination whether the GST/HST dues are payable to CRA. If the Company loses in its appeal, both the amounts would be payable to CRA.

CRA has issued a notice for GST/HST audit on MCI Medical Clinics Inc., a subsidiary of the Company, for the period January 1, 2021 to April 30, 2024. The audit is in a preliminary stage in which details are being provided to the CRA auditors. It is too early to make a determination whether any GST/HST dues are payable to CRA.

SUBSEQUENT EVENTS

On April 1, 2025, HEALWELL acquired all outstanding ordinary shares of Orion Health, a global healthcare intelligence platform serving major public sector clients, for total consideration of approximately $143,973 (NZD $175,000), plus a performance-based earn-out of up to $20,568 (NZD $25,000), in accordance with a share purchase agreement dated December 16, 2024. The purchase price included approximately $86,384 (NZD $105,000) in cash and $57,589 (NZD $70,000) (converted into Canadian dollars) settled through the issuance of 35,643,478 Subordinate Voting Shares at C$1.61 per share, of which 78.6% are subject to voluntary resale and trading restrictions. The earn-out is payable over three years, contingent on Orion Health achieving normalized EBITDA in excess of $16,500 (NZD $20,000) annually, with up to 50% payable in Subordinate Voting Shares at the vendor's option based on the 10-day VWAP preceding each payment date.

The acquisition was partially financed through a senior secured credit facility of up to C$50,000, provided by a syndicate of banks led by the Bank of Nova Scotia and including the Royal Bank of Canada, under a credit agreement dated March 4, 2025. The facility matures on March 4, 2028, and is secured by all present and after-acquired property of Orion Health and its direct and indirect parents and subsidiaries.

On April 1 2025, WELL Health Technologies Corp. exercised its right to acquire 30,800,000 Subordinate Voting Shares and 30,800,000 Class B Multiple Voting Shares ("Multiple Voting Shares") of the Company from certain of its existing shareholders pursuant to the call option agreement between HEALWELL, WELL, certain founding shareholders of HEALWELL and their permitted transferees dated October 1, 2023. Following the exercise of the Call Right, WELL owns 97,223,161 Subordinate Voting Shares and 30,800,000 Multiple Voting Shares or approximately 37.3% of the economic interest and approximately 69.6% of the voting rights in HEALWELL on a non-diluted basis. Each Multiple Voting Share has nine votes per share and each Subordinate Voting Share has one vote per share. Upon the exercise of the Call Right, WELL also has the ability to nominate a majority of the directors to the Board of Directors of the Company.

Concurrent with the closing, HEALWELL expanded its board of directors, appointing Ian Richard McCrae, Tina Raja, and Sam Englebardt following the resignations of Bashar Al-Rehany and Kingsley Ward. The board now consists of six directors.

On April 23, 2025, the Company announced key executive appointments to support its next phase of growth. Effective July 1, 2025, James Lee will assume the role of Chief Executive Officer, with Dr. Alexander Dobranowski transitioning to President. Additional appointments include Sacha Gera as Chief Operating Officer and Brad Porter as Chief Commercial Officer.