

## HEALWELL AI INC.

August 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 and six-months ended June 30, 2025 (the three-month period, the "Reporting Period") and the three months and six months ended June 30, 2024 (the three-month period, the "Prior Period") and is provided as of August 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. 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](http://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 available on the Company's SEDAR+ profile at [www.sedarplus.com](http://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 interest, taxes, depreciation and amortization adjusting for acquisition related legal expenses, restructuring and integration costs, time-based earnouts expense, share-based payment expenses, net finance charges, income/loss from investments and derivative liability, foreign exchange gain/loss, 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."*

The term “Adjusted Gross Profit” refers to revenue less the cost of sales (excluding depreciation and amortization). “Adjusted Gross Margin” refers to the percentage that Adjusted Gross Profit for any period represents as a portion of total revenue for that period. Investors are cautioned that Adjusted Gross Profit and Adjusted Gross Margin should not be construed as an alternative to revenue. Management uses these measures, and believes that they are useful to investors, to assess the Company’s ability to meet arising debt obligations and to pay back outstanding credit, as well as to determine the profitability of the Company’s primary business activities and the general financial health of the Company. For a reconciliation of these measures, see “Results of Operations – Gross Profit & Gross Margin”

## **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 earnings (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”).

Prior to October 1, 2023, the Company’s revenue consisted primarily of provincially funded medical consultations delivered through the Company’s 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 transitioned its primary business to operating as a healthcare technology firm specializing in artificial intelligence (“AI”) and data science solutions for preventive care.

## **Company Overview**

HEALWELL is committed to becoming the global leader in healthcare technology, leveraging advanced artificial intelligence (AI) and data science to drive innovation in preventative care. Our core mission is to improve patient outcomes and save lives by enabling the early identification and detection of diseases.

To realize this mission, HEALWELL’s corporate strategy and capital allocation program is focused on targeted organic investments and accretive mergers and acquisitions (M&A). The Company’s capital allocation is centered around three synergistic business units:

- i. AI and Data Science
- ii. Healthcare Software
- iii. Clinical Research and Patient Services

### **AI and Data Science**

In the AI and Data Science division, 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 enabled by HEALWELL's AI tools offers healthcare practitioners clinical decision support that results in enhanced physician workflows and comprehensive patient care. In addition, HEALWELL offers ambient scribe and agentic workflows to health care practitioners.

HEALWELL's AI and Data Science segment comprises rapidly evolving technologies strategically designed for integration across our business units, while also presenting robust standalone commercialization opportunities. These technologies are actively marketed to a diverse range of healthcare industry participants, including public sector organizations, healthcare providers, insurers, and life science companies.

Historically, the AI and Data Science business has been sold on a project-by-project basis, given the novelty of the technology. The Company believes it has demonstrated the ability to provide real insight and value to its customers, validated by strong Net Promoter Scores (NPS) and strong customer retention. Over time, the Company expects its AI and Data Science business model to evolve to a more contractual, recurring model, particularly as these products get bundled and sold through its Healthcare Software division.

### **Healthcare Software**

HEALWELL's Healthcare Software division is a leading provider of robust technology solutions tailored for many of the same large-scale enterprise clients globally that the AI and Data Science division serves, including health authorities, government agencies, healthcare systems, and insurance providers. This division encompasses three strategically aligned businesses: Orion Health, VeroSource, and Intrahealth.

This business unit's core software suite consists of Electronic Health Records (EHR), Digital Front Doors (DFD), and Digital Care Records (DCR). These products consolidate diverse data sources into a unified "single source of truth," enabling clients to gain actionable insights into patient populations and empowering physicians with a comprehensive view of individual patient health. Central to achieving this integration is HEALWELL's sophisticated interoperability infrastructure, which seamlessly connects a variety of healthcare data repositories, facilitating efficient data flow, enhanced informational intelligence, and improved population health management.

Typically, the Healthcare Software division secures business through competitive RFP processes initiated by enterprise customers. Contracts generally include an initial implementation phase, followed by multi-year, recurring engagements based on a Software-as-a-Service (SaaS) model. The Company wins these competitive processes by having a robust product platform that scores well on RFPs, as well as a robust product suite that has been proven in the market, providing decision makers with confidence that we are well positioned to deliver on their needs. Due to the critical role the Company's software solutions play in clients' healthcare infrastructure, this division enjoys strong customer retention and renewal rates once a contract has been won.

HEALWELL's "Healthcare Software" division is synergistically integrating its data interoperability products with HEALWELL's "AI and Data Science" technologies, as enterprise software customers are seeking validated and integrated AI solutions to solve incremental unmet needs. Specifically, with the Company's healthcare divisions aggregating disparate healthcare data, the opportunity to layer on AI technology to search, summarize, and risk stratify that information on behalf of clients is significant. As a result, a key strategic focus is the integration of the Company's Healthcare Software division's data interoperability products with the Company's AI and Data Science technologies. This synergy directly addresses the increasing

demand from enterprise customers for validated AI capabilities, enhancing their ability to analyze, summarize, and proactively manage patient data. Specifically, the Company's AI-enhanced product offerings — SMARTsearch, SMARTsummarize, and SMARTidentify — leverage its extensive global customer base and established trust to drive competitive advantage and accelerate growth within both divisions.

#### **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.

#### **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.

#### **HEALWELL AI Corporate Roadmap**

Healthcare is vast and complex, and HEALWELL is focused on enabling healthcare systems to adopt preventative care through early detection and intervention, shifting the healthcare paradigm from reactive to proactive healthcare. HEALWELL's vision is to become a global leader in preventative care, and its corporate roadmap leads directly to a digital-first, AI-powered future of interconnected healthcare systems and technologies that empower both patients and healthcare providers. HEALWELL's ecosystem already includes or partners with all the required technologies to enable this advanced, technology-enabled care model, from AI tools and products to EMR integration, diagnostics and insurance. Recent months have seen material improvements in the utility and acceptance of AI in the healthcare sector, and as a result, the Company is seeing the early stages of revenue growth in its own results as well as those of comparable healthcare technology companies.

HEALWELL's approach is to pair the clinically validated AI tools HEALWELL has developed with the deep therapeutic workflow knowledge and global integration expertise of its recently acquired subsidiary, Orion Health Holdings Limited ("Orion Health"). The scalable software tools that are used by clinicians, patients and healthcare systems enable storage and visualization of data making preventative care adoptable at scale. The Company aims to embrace technology responsibly, empower people through ethical innovation and act with urgency to deliver results.

#### **M&A Strategy**

HEALWELL continues to execute on its strategy of targeting and acquiring technology and clinical sciences expertise that complements its strategic roadmap. With the acquisition of Orion Health in April 2025, the Company's strategic focus has

expanded to consider companies for partnership or acquisition that leverage Orion's Amadeus Digital Care Record ("DCR") and Virtuoso Digital Front Door ("DFD") global healthcare software platforms and the more than 70 customers including large institutional clients, government agencies and health authorities, currently using them.

On December 1, 2023, HEALWELL acquired a majority interest in Pentavere Research Group ("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. After the end of the Reporting Period but prior to the MD&A Date, the Company exercised a call option to acquire all of the remaining shares of Pentavere, giving it 100% ownership of the entity – see *"Subsequent Events"* below for more information.

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

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

On November 1, 2024, HEALWELL acquired a majority interest in Mutuo Health Solutions Inc. ("Mutuo"), which specializes in developing and operating innovative technology that includes the AutoScribe ambient scribe software application. Mutuo Health Solutions is a Software-as-a-Service (SaaS) platform that leverages artificial intelligence to automate medical transcription and note generation for healthcare professionals. Mutuo's flagship product, AutoScribe, transcribes clinician-patient conversations into accurate and compliant 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, HEALWELL acquired 100% of the shares of Orion Health a global market leader in healthcare interoperability and health data infrastructure environments at scale, delivering healthcare information intelligence through their advanced Virtuoso Digital Front Door (DFD) and Amadeus Digital Care Record (DCR) platforms. Orion Health has a unique ability to aggregate data from multiple sources and knit it together for healthcare practitioners to have seamless data flow across multiple complex health systems that benefits patients but also enables population data tools at scale. These software platforms have won Orion Health long-term contracts in some of the largest countries and regions globally. Australia and New Zealand, the NHS in the UK and North America are their strongest markets with Canada being their largest regional market.

Given the importance of M&A activity to the Company's strategic plan, the Company engages in an ongoing effort to manage the risk factors associated with that activity, including those set out in the Company's AIF. As the Company continues to grow and engages in larger or more complex acquisitions in Canada and abroad, it may become subject to increased scrutiny by regulatory bodies and government agencies, such as those concerned with competition and foreign investment. Such scrutiny could result in inquiries, investigations, litigation, enforcement actions, or the imposition of conditions on the Company's operations, which could limit the availability of certain prospective transactions and which may increase compliance costs, divert management attention, or otherwise adversely affect the Company's business, financial condition, results of operations and growth strategy.

## OPERATIONS FOR THE REPORTING PERIOD

### Operational Highlights (Q2 2025 Reporting Period)

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

- i. **Revenue Changes:** As shown in the table below, the company experienced significant revenue growth for the 3- and 6-month periods ending June 30, 2025. This was accomplished through a mix of both organic and inorganic activities, with exceptional performance in both Healthcare Software and AI and Data Science segments.

	Three months ended June 30,		Period -Over-Period Change		Six months ended June 30,		Period -Over-Period Change	
	2025	2024	\$	%	2025	2024	\$	%
Healthcare Software	30,475	2,619	27,856	1064%	36,151	4,655	31,496	677%
AI and Data sciences	2,774	863	1,911	221%	5,082	1,575	3,507	223%
Clinical Research and Patient services	7,273	1,960	5,313	271%	13,370	3,792	9,578	253%
<b>Total</b>	<b>40,522</b>	<b>5,442</b>	<b>35,080</b>	<b>645%</b>	<b>54,603</b>	<b>10,022</b>	<b>44,581</b>	<b>445%</b>

- ii. **Acquisition of Orion Health:** On April 1 2025, the Company acquired 100% shares of Orion Health Holdings Limited ("Orion Health"), a global healthcare intelligence platform providing subscription licenses and services to marquee public sector clients with data interoperability and healthcare navigation products. The acquisition has been accounted for as a business combination with the Company consolidating 100% of the results of operations of Orion Health from the date of the acquisition. The assets and liabilities of Orion Health are included in the consolidated financial statements. The purchase price for the acquisition included both cash and non-cash components. Consideration of \$86,550 was paid in cash. The non-cash components comprised of 35,643,478 Class A Subordinate Voting Shares with a Fair Market Value (FMV) of \$52,396. The FMV of each Share on April 1, 2025 was \$1.47. The non-cash component includes a performance-based earnout of up to \$20,300 which has an estimated fair value of \$9,784 as at the acquisition date, payable over three years if Orion Health achieves Normalized EBITDA exceeding NZD 20,000 in each 12-month period. At the vendor's option, up to 50% of the earn-out may be settled in Class A Subordinate Voting Shares, valued using the 10-day volume-weighted average price (VWAP) prior to each payment date. In addition, the non-cash component includes 50% of the acquired tax losses utilized by Orion Health, with an estimated fair value of \$13,126 as at the acquisition date.
- iii. **Exercise of WELL Call Option:** On April 1 2025, WELL exercised its right to acquire 30,800,000 Subordinate Voting Shares and 30,800,000 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 owned 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. Upon the exercise of the call right, WELL also gained the

ability to nominate a majority of the directors to the board of directors of the Company. This acquisition of a controlling interest in the Company is subject to ongoing review and clearance from the Canadian Competition Bureau.

- iv. *Changes to Directors and Officers:* On April 1, 2025, HEALWELL expanded its board of directors, appointing Ian McCrae, Tina Raja, and Sam Englehardt to the board following the resignations of Bashar Al-Rehany and Kingsley Ward. Subsequently, on April 23, 2025, the Company announced key executive appointments to support its next phase of growth. Effective July 1, 2025, James Lee would assume the role of Chief Executive Officer, with Dr. Alexander Dobranowski transitioning to President. Additional appointments included Sacha Gera as Chief Operating Officer and Brad Porter as Chief Commercial Officer.



## Results of Operations

A summary of the financial results of the Company's operations during the three-months and six months periods ended June 30, 2025, and June 30, 2024 is as follows:

	Three months ended June 30,		Period -Over-Period Change		Six months ended June 30,		Period -Over-Period Change	
	2025	2024	\$	%	2025	2024	\$	%
<b>Revenue</b>	<b>40,522</b>	<b>5,442</b>	<b>35,080</b>	<b>645%</b>	<b>54,603</b>	<b>10,022</b>	<b>44,581</b>	<b>445%</b>
<b>Cost of Sales</b>	<b>19,242</b>	<b>2,980</b>	<b>16,262</b>	<b>546%</b>	<b>26,795</b>	<b>5,553</b>	<b>21,242</b>	<b>383%</b>
<b>Gross Profit</b>	<b>21,280</b>	<b>2,462</b>	<b>18,818</b>	<b>764%</b>	<b>27,808</b>	<b>4,469</b>	<b>23,339</b>	<b>522%</b>
<b>Operating Expenses</b>								
General and administrative	10,309	5,149	5,160	100%	20,151	9,125	11,026	121%
Research and development	5,768	1,114	4,654	418%	7,416	1,856	5,560	300%
Sales and marketing	3,221	368	2,853	775%	4,329	668	3,661	548%
Stock compensation	3,654	702	2,952	421%	7,020	1,183	5,837	493%
Amortization of intangible assets	5,698	2,027	3,671	181%	7,581	3,747	3,834	102%
Depreciation of property equipment	285	74	211	285%	421	146	275	188%
Depreciation of ROU assets	648	112	536	479%	785	264	521	197%
Impairment charges	-	850	(850)	-100%	-	850	(850)	-100%
<b>Total Operating Expenses</b>	<b>29,583</b>	<b>10,396</b>	<b>19,187</b>	<b>185%</b>	<b>47,703</b>	<b>17,839</b>	<b>29,864</b>	<b>167%</b>
<b>Income from Operations</b>	<b>(8,303)</b>	<b>(7,934)</b>	<b>(369)</b>	<b>5%</b>	<b>(19,895)</b>	<b>(13,370)</b>	<b>(6,525)</b>	<b>49%</b>
<b>Other Income and Expenses</b>								
Financing expenses	1,796	487	1,309	269%	3,117	1,160	1,957	169%
Effect of foreign exchange rate	(1,285)	-	(1,285)	0%	(1,283)	-	(1,283)	0%
Changes in FMV of Contingent Consideration, Investments and Options	232	250	(18)	-7%	1,641	650	991	152%
Changes in FV of derivative liability	(3,326)	-	(3,326)	0%	(3,326)	-	(3,326)	0%
Loss on fixed assets write off	-	228	(228)	-100%	-	228	(228)	-100%
Debt forgiveness	-	(7,863)	7,863	-100%	-	(7,863)	7,863	-100%
Liability extinguishment	-	(3,088)	3,088	-100%	-	(3,088)	3,088	-100%
<b>Current and Deferred Taxes</b>	<b>(1,605)</b>	<b>(531)</b>	<b>(1,074)</b>	<b>202%</b>	<b>(1,870)</b>	<b>(765)</b>	<b>(1,105)</b>	<b>144%</b>
<b>Net Income</b>	<b>(4,115)</b>	<b>2,583</b>	<b>(6,698)</b>	<b>259%</b>	<b>(18,174)</b>	<b>(3,692)</b>	<b>(14,482)</b>	<b>392%</b>
<b>EBIDTA<sup>1</sup></b>	<b>1,899</b>	<b>4,618</b>	<b>(2,719)</b>	<b>59%</b>	<b>(9,167)</b>	<b>544</b>	<b>(9,711)</b>	<b>-1785%</b>
<b>ADJUSTED EBIDTA<sup>1</sup></b>	<b>1,948</b>	<b>(3,741)</b>	<b>5,689</b>	<b>152%</b>	<b>(1,552)</b>	<b>(6,496)</b>	<b>4,944</b>	<b>-76%</b>
<b>Subscription, Support and Maintenance Revenue</b>	<b>21,082</b>	<b>2,420</b>	<b>18,662</b>	<b>771%</b>	<b>24,685</b>	<b>4,008</b>	<b>20,677</b>	<b>516%</b>

<sup>1</sup>EBITDA and Adjusted EBITDA are non-IFRS financial measures and do not have any standardized meaning under International Financial Reporting Standards ("IFRS"). These measures may not be comparable to similar measures used by other issuers.

## Comparison of the three-months and six-months ended June 30, 2025 and June 30, 2024.

### Revenue

Total revenue from continuing operations for three-months and six-months ended June 30, 2025, was \$40,522 and \$54,603, respectively, an increase of \$35,080 (645%) and \$44,581 (445%) over the total revenue of \$5,442 and \$10,022 recognized in the comparable period in 2024. The Orion Health, Verosource and BioPharma acquisitions, along with the strong organic growth in the Data and AI segment, are the key drivers behind the significant revenue growth. With the close of the Orion Health acquisition on April 1, 2025, Subscription, Support and Maintenance revenue now make up 52% of total revenue, for the 3 months ended June 30<sup>th</sup> and account for the company's most significant revenue stream.

	Three months ended June 30,		Period -Over- Period Change		Six months ended June 30,		Period -Over- Period Change	
	2025	2024	\$	%	2025	2024	\$	%
Subscription, Support and Maintenance	21,082	2,420	18,662	771%	24,686	4,008	20,678	516%
Professional Services	11,673	1,062	10,611	999%	15,636	2,222	13,414	604%
Software License	494	-	494	0%	911	-	911	0%
Clinical and other revenue	7,273	1,960	5,313	271%	13,370	3,792	9,578	253%
<b>Total Revenue</b>	<b>40,522</b>	<b>5,442</b>	<b>35,080</b>	<b>645%</b>	<b>54,603</b>	<b>10,022</b>	<b>44,581</b>	<b>445%</b>

*AI and Data Sciences* – As shown in the table below, The Company's AI and Data Sciences revenue for three-months and six-months ended June 30, 2025, was \$2,774 and \$5,082, respectively, an increase of \$1,911 (221%) and \$3,507 (223%) over the revenue of \$863 and \$1,575 recognized in the comparable period in 2024. The commercial adoption of Khure and Pentavere Technology resulted in 187% and 185% organic growth for the three- and six-month periods ending June 30, respectively. The total growth below also includes inorganic growth from the Mutuo acquisition, which closed on November 1, 2024. The Mutuo business has experienced meaningful quarter-over-quarter growth, having established strong partnerships with both WELL Health and other prominent Healthcare institutions.

	Three months ended June 30,		Period -Over- Period Change		Six months ended June 30,		Period -Over- Period Change	
	2025	2024	\$	%	2025	2024	\$	%
Subscription, Support and Maintenance	479	106	373	352%	922	151	771	511%
Professional Services	2,295	757	1,538	203%	4,160	1,424	2,736	192%
Software License	-	-	-	0%	-	-	-	0%
Clinical and other revenue	-	-	-	0%	-	-	-	0%
<b>Total Revenue</b>	<b>2,774</b>	<b>863</b>	<b>1,911</b>	<b>221%</b>	<b>5,082</b>	<b>1,575</b>	<b>3,507</b>	<b>223%</b>

*Healthcare Software* – As shown in the table below, the Company's Healthcare Software revenue for three-months and six-months ended June 30, 2025, was \$30,475 and \$36,151, an increase of \$27,856 (1,064%) and \$31,496 (677%) over the Healthcare Software revenue of \$2,619 and \$4,655 recognized in the comparable period in 2024. The acquisition of Orion Health on April 1, 2025 and Verosource on July 1, 2024 has driven the 2025 YTD and QTD growth in this segment. As shown below, with the inclusion of Orion Health, Subscription, Support, and Maintenance revenue, which is recurring in nature, now make up 68% to the total revenue in this segment QTD. The Company's focus in H2 2025 will be to organically grow this segment through expansion, new logo's and the re-distribution of The Company's Data and AI Solutions and services.

	Three months ended June 30,		Period -Over- Period Change		Six months ended June 30,		Period -Over- Period Change	
	2025	2024	\$	%	2025	2024	\$	%
Subscription, Support and Maintenance	20,603	2,314	18,289	790%	23,764	3,857	19,907	516%
Professional Services	9,378	305	9,073	2975%	11,476	798	10,678	1338%
Software License	494	-	494	0%	911	-	911	0%
Clinical and other revenue	-	-	-	0%	-	-	-	0%
<b>Total Revenue</b>	<b>30,475</b>	<b>2,619</b>	<b>27,856</b>	<b>1064%</b>	<b>36,151</b>	<b>4,655</b>	<b>31,496</b>	<b>677%</b>

*Clinical Research and Patient Services*— As shown in the table below, the Company's Clinical Research and Patient Services revenue from continuing operations for three-months and six-months ended June 30, 2025, was \$7,273 and \$13,370, an increase of \$5,313 (271%) and \$9,578 (253%) from the Clinical Research and Patient Services revenue of \$1,960 and \$3,792 recognized in the comparable period in 2024. The increase was driven by the Company's acquisition of BioPharma on July 1, 2024.

	Three months ended June 30,		Period -Over- Period Change		Six months ended June 30,		Period -Over- Period Change	
	2025	2024	\$	%	2025	2024	\$	%
Subscription, Support and Maintenance	-	-	-	0%	-	-	-	0%
Professional Services	-	-	-	0%	-	-	-	0%
Software License	-	-	-	0%	-	-	-	0%
Clinical and other revenue	7,273	1,960	5,313	271%	13,370	3,792	9,578	253%
<b>Total Revenue</b>	<b>7,273</b>	<b>1,960</b>	<b>5,313</b>	<b>271%</b>	<b>13,370</b>	<b>3,792</b>	<b>9,578</b>	<b>253%</b>

#### Cost of Revenue

Cost of revenue from continuing operations for three-months and six-months ended June 30, 2025, was \$19,242 and \$26,795, an increase of \$16,262 (546%) and \$21,242 (383%) over the cost of revenue of \$2,980 and \$5,553 recognized in the comparable periods in 2024.

The Company's Cost of Revenue represents the following:

- i) Direct costs to deliver, deploy, and support The Company's Software and AI solutions to customers.
- ii) Indirect Technology costs incurred to deploy and support the ongoing use of the Company's AI and Software Solutions.
- iii) Both Direct and Indirect costs incurred to deliver The Company's Clinical services to patients and pharmaceutical companies.

The Increase in the QTD and YTD Cost of Sales is driven by the acquisitions of BioPharma, Verasource, Mutuo and Orion Health.

#### Gross Profit Margin

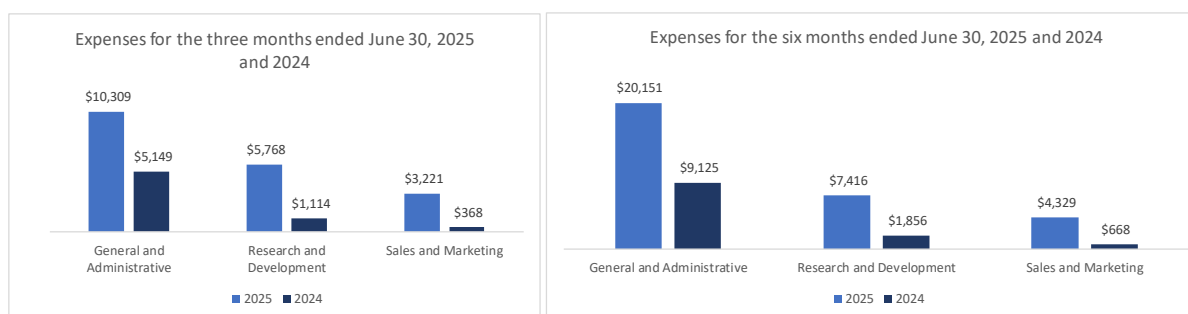
As shown in the table below, the total gross profit margin from continuing operations for three-months and six-months ended June 30, 2025, was \$21,280 and \$27,808, respectively, an increase of \$18,818 (764%) and \$23,339 (522%) as compared to \$2,462 and \$4,469 in the comparable period in 2024.

The Healthcare and Data and AI segments have continued to produce gross margins greater than 50%, in line with industry expectations. The Company continually focuses on opportunities to improve gross margins by identifying efficiencies in the delivery of core products and solutions to customers.

	Three months ended June 30, 2025				Six months ended June 30, 2025			
	AI and Data Science	Healthcare Software	Clinical Research and Patient Services	Total	AI and Data Science	Healthcare Software	Clinical Research and Patient Services	Total
Revenue	2,774	30,475	7,273	40,522	5,082	36,151	13,370	54,603
Cost of revenue	863	13,660	4,719	19,242	1,695	16,380	8,720	26,795
Gross Margin	1,911	16,815	2,554	21,280	3,387	19,771	4,650	27,808
Gross Margin %	69%	55%	35%	53%	67%	55%	35%	51%

## Operating Expenses

Total operating expenses from continuing operations for three-months and six-months ended June 30, 2025, was \$29,583 and \$47,703, respectively, an increase of \$19,187 (185%) and \$29,864 (167%) over the total operating expenses of \$10,396 and \$17,839 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 three-months and six-months ended June 30, 2025, were \$5,768 and \$7,416, increase of \$4,654 (418%) and \$5,560 (300%) over the research and development expenses of \$1,114 and \$1,856 recognized in the comparable periods in 2024.

The nature of the R&D expenditures relates primarily to investments the Company is making to expand the features, accessibility, and functionality of the Software and Solutions in both the Healthcare Software and Data and AI Segments of the business. The June 30<sup>th</sup>, 2025 QTD and YTD increase in R&D spending pertain specifically to the Software and Data and AI acquisition The Company has made in the last year.

During the six months ended June 30, 2025, the Company capitalized \$ 1,138 of R&D costs (December 31, 2024 – \$1,221). Intrahealth and Orion were the only subsidiaries that capitalized costs in the six months ended June 30, 2025.

## Sales and Marketing Expenses

Sales and marketing expenses from continuing operations for three-months and six-months ended June 30, 2025, were \$3,221 and \$4,329, respectively, an increase of \$2,853 (775%) and \$3,661 (548%) over the sales and marketing expenses of \$368 and \$668 recognized in the comparable period in 2024.

A significant portion of these expenditures reflects a strategic investment in global brand positioning and demand generation activities across the Healthcare and AI sectors. These include sponsorship, exhibit, and delegate costs at prominent international,

national and regional conferences . These events serve as key platforms to engage healthcare providers, payers, government agencies, and industry partners, and to showcase our suite of AI-driven digital health products.

In addition to presence at conferences, spend also includes targeted account-based marketing campaigns, new product launch activities, and the build-out of commercial capabilities in USA, Canada, UK & Ireland , Europe, MEA, and the Asia-Pacific region. This includes the creation of digital marketing assets, and regionally customized collateral aligned to local go-to-market strategies. These initiatives support our expansion into new markets and aim to accelerate lead generation and pipeline conversion across our core offerings.

#### **General and Administrative Expenses**

General and administrative expenses from continuing operations for three-months and six-months ended June 30, 2025, was \$10,309 and \$20,151, an increase of \$5,160 (100%) and \$11,026 (121%) over the general and administrative expenses of \$5,149 and \$9,125 recognized in the comparable periods in 2024. As a percentage of revenue, general and administrative expenses were 25% and 37% for three-months and six-months ended June 30, 2025, compared to 95% and 91%, in the comparable period in 2024.

In addition to the increase in G&A expenses due to the VeroSource, Orion Health, BioPharma and Mutuo acquisitions, the M&A activity in H1 2025 has also been a key driver of the increased G&A costs.

#### **Depreciation and Amortization**

Depreciation consists of depreciation and amortization of the Company's tangible and intangible assets and right-of-use assets, which include medical equipment, Furniture and Equipment, Leasehold improvements, acquired technologies, capitalized research and development costs, customer relationships, brands, and premise leases.

Depreciation and Amortization for the three and six months ending June 2025 were \$6,631 and \$8,787, respectively. This reflects a \$4,418 (200%) and \$4,630 (111%) increase from the comparable periods in 2024.

The increase is primarily attributable to amortization expense recorded from the acquired intangible assets since Q3 2024. The estimated use-lives of these assets range from 5-10 years.

#### **Share-based Compensation**

Share based compensation ("SBC") expense for the three months ending June 30 2025 was \$3,654, compared \$702 for the same period of 2024, an increase of \$2,952 (421%).

SBC expense for the Six months ending 2025 was \$7,020 compared to \$1,183 for the same period of 2024, an increase of \$5,837 (493%)

The increase in quarterly expenses relates to the issuance of new options, RSUs, and PSUs to directors and employees in 2025.

#### **Business acquisition, restructuring, and integration costs**

Restructuring and integration costs and Acquisition-related expenses consist of costs incurred to acquire and integrate newly purchased businesses, and to optimize or restructure the ongoing operations of acquired businesses.

Restructuring and integration costs for three-months and six-months ended June 30, 2025, were \$559 and \$891, respectively.

Acquisition-related expenses for three-months and six-months ended June 30, 2025, was \$215 and \$2,672 respectively over the acquisition-related expenses of \$562 and \$1,000 recognized in the comparable period in 2024.

### Finance Cost

Finance charges for three-months and six-months ended June 30, 2025, was \$1,796 and \$3,117, an increase of \$1,309 (269%) and \$1,957 (169%) over the finance cost of \$487 and \$1,160 recognized in the comparable period in 2024. The increase in finance costs primarily relates to the interest costs for the convertible debenture and the Scotia Bank facility obtained in H1 2025.

### Net Profit (loss) and Profit (loss) per share

The Company reported a net loss from continuing operations for three-months and six-months ended June 30, 2025, of (\$4,115) and (\$18,174), or (\$0.02) and (\$0.08) per share (basic and diluted), compared to a net profit (loss) of \$2,583 and \$(3,692), or \$0.02 and \$(0.03) per share (basic and diluted), for the comparable period in 2024. Profits (losses) from continuing operations for three-months and six-months ended June 30, 2025, were driven by operations from restructuring efforts, transaction costs related to the Orion Health acquisition, an increase in stock-based compensation expenses, and amortization expenses during the period.

The Company reported a net profit (loss) from continuing and discontinued operations for the three-months and six-months ended June 30, 2025, of (\$4,115) and (\$18,174), or (\$0.02) and (\$0.08) per share (basic and diluted), compared to a net profit (loss) of \$2,540 and \$(3,746), or \$0.02 and \$(0.03) per share (basic and diluted), for the comparable period in 2024.

### Adjusted EBITDA

Adjusted EBITDA from continuing operations for three-months and six-months ended June 30, 2025, was a profit / (loss) of \$1,948 and \$(1,552), respectively, an improvement of \$5,689 (152%) and \$4,944 (76%) over the Adjusted EBITDA of \$(3,741) and \$(6,496) recognized in the comparable periods in 2024. Adjusted EBITDA Margin was 5% and (3%) in the three-months and six-months ended June 30, 2025, as compared to Adjusted EBITDA Margin of (69%) and (65%) in the comparable period in 2024.

### Reconciliation of Non-IFRS Measures

#### *Earnings before Interest, Taxation, depreciation, amortization ("EBITDA")*

A reconciliation of the non-IFRS measures EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin to net income (loss) for the three-months and six-months ended June 30, 2025, and June 30, 2024 is set out below:

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
<b>Net Income</b>	<b>(4,115)</b>	2,583	<b>(18,174)</b>	(3,692)
Add: Financing expenses	<b>1,636</b>	465	<b>2,875</b>	1,108
Add: Depreciation of property equipment	<b>285</b>	74	<b>421</b>	146
Add: Amortization of intangible assets	<b>5,698</b>	2,027	<b>7,581</b>	3,747
Add: Current and deferred taxes	<b>(1,605)</b>	(531)	<b>(1,870)</b>	(765)
<b>EBITDA</b>	<b>1,899</b>	4,618	<b>(9,167)</b>	544

### Adjusted EBITDA

The Company defines **Adjusted EBITDA** as net income (loss) before interest, taxes, depreciation and amortization **less** (i) net rent expense on premise leases considered to be finance leases under IFRS and **before** ii) Acquisition related expenses, restructuring and integration costs, time-based earnouts expense, change in fair value of investments and options, foreign exchange gain/loss and stock-based compensation. The Company considered Adjusted EBITDA to be a financial metrics that measures cash flow that

the company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. Adjusted EBITDA should not be considered an alternative to net income (loss), cash flow from operating activities, or other measures of financial performance defined under IFRS.

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
<b>Net Income</b>	<b>(4,115)</b>	2,583	<b>(18,174)</b>	(3,692)
Add: Financing expenses	<b>1,636</b>	465	<b>2,875</b>	1,108
Add: Depreciation of property equipment	<b>285</b>	74	<b>421</b>	146
Add: Amortization of intangible assets	<b>5,698</b>	2,027	<b>7,581</b>	3,747
Add: Current and deferred taxes	<b>(1,605)</b>	(531)	<b>(1,870)</b>	(765)
Add: Restructuring and Integration cost	<b>559</b>	-	<b>891</b>	-
Add: Effect of foreign exchange rate	<b>(1,285)</b>	-	<b>(1,283)</b>	-
Add: Changes in FMV of Contingent Consideration, Investments Options	<b>232</b>	250	<b>1,641</b>	650
Add: Stock compensation	<b>3,654</b>	702	<b>7,020</b>	1,183
Add: Acquisition related expenses	<b>215</b>	562	<b>2,672</b>	1,000
Less: Changes in FV of derivative liability	<b>(3,326)</b>	-	<b>(3,326)</b>	-
Add: Impairment charges	-	850	-	850
Add: Loss on fixed assets write off, Debt Forgiveness, and Liability Extinguishment	-	(10,723)	-	(10,723)
<b>Adjusted EBITDA</b>	<b>1,948</b>	<b>(3,741)</b>	<b>(1,552)</b>	<b>(6,496)</b>

- (1) 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.

#### SUMMARY OF QUARTERLY RESULTS

	Quarters ended								
	June 30 2025	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 <sup>(1)</sup>	40,522	14,082	15,211	13,740	5,442	\$4,579	\$1,921	\$2,753	\$3,177
Net loss	(4,115)	(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) <sup>(1)</sup>	264,874	171,905	135,561	124,612	109,685	103,898	64,733	53,870	53,870
Net (loss) income per Basic and diluted	(0.02)	(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 has changed the reported weighted average number of shares in Q1 2024 – Q3 2024.

## LIQUIDITY AND CAPITAL RESOURCES

As at the end of the Reporting Period, the Company held cash of \$19,076, as compared to cash of \$9,413 as at December 31 2024 and \$19,823 as at June 30, 2024.

The increase in cash between June 30 2025 and December 31 2024 is primarily due to proceeds from loan, debentures and share issuances to fund the Orion acquisition as at April 1, 2025 offset against cash used in operating activities.

### CASH USED IN OPERATING ACTIVITIES

	Six months ended		
	June 30, 2025	June 30, 2024	Change
	\$( '000s)		
<b>Net Income (loss)</b>	(18,174)	(3,746)	(14,428)
Items not affecting cash	12,867	(3,909)	16,776
<b>Cash from operations before changes in working capital</b>	(5,307)	(7,655)	2,348
Net change in Non-cash working capital	(4,320)	(5,707)	1,387
<b>Cash used in operating activities</b>	(9,627)	(13,362)	3,735

Cash from operations before changes in working capital was \$(5,307) for the six months ended June 30, 2025, as compared to \$(7,655) for the same period last year, an increase of \$2,348.

The increase is primarily due to higher cash collections from customers due to increased revenues and improved billing cycles. There is also reduction in non-cash working capital outflows particularly in accounts receivable and prepaid expenses.

### CASH USED IN INVESTING ACTIVITIES

	Six months ended		
	June 30 2025	June 30 2024	Change
	\$( '000s)		
Cash used in investing activities	(73,588)	(14,944)	(58,644)

Cash used in investing activities relates primarily to the net cash portion of the acquisitions completed during the period.



**CASH PROVIDED BY FINANCING ACTIVITIES**

	Six months ended		
	June 30 2025	June 30 2024	Change
	\$ ('000s)		
Cash provided by financing activities	94,363	28,786	65,577

Cash provided by financing activities relates to proceeds from the Scotia loan of \$43,833, bought deal financing for \$23,595 and proceeds from the exercise of warrants of \$4,625 offset by repayment of promissory note for \$3,576 and related party advance of \$3,195.

**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.

	June 30, 2025		
	< 1 year	2 – 5 years	Over 5 years
Lease liabilities	3,495	7,166	1,202
Accounts payable and accrued liabilities	35,893	-	-
Acquisitions related payables	2,698	-	-
Loan payable	1,000	44,362	-
Related party loan	7,994	898	-
Debenture payable	30,000	4,475	-
Liability for contingent consideration	456	30,188	-
	81,536	87,089	1,202

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. (WELL) – has common directorship with the Company and is a significant/controlling shareholder of the Company.
- HEALWELL management and board members.
- McCrae Tech – related party due to its association with the Orion Health acquisition

The total related party payable decreased from \$11,258 at Dec 31, 2024 to \$8,892 on June 30, 2025.

The total related party payable decreased from \$12,714 at Mar 31, 2025 to \$8,892 on June 30, 2025 (\$16,753 at Mar 31, 2024 to \$10,594 on June 30, 2024).

## LOAN AND DEBENTURE PAYABLE

As at June 30, 2025, the Company was in compliance with all loan covenants and had total outstanding loan balances of \$45,362. This includes \$813 under the FedDev loan, \$910 under the BDC loan, and \$43,639 under a Scotia loan facility. The Scotia loan was drawn during the six-month period ended June 30, 2025, while the FedDev and BDC loans reflect balances carried forward from prior periods, adjusted for accretion, repayments, and in the case of the Scotia loan, amortization of financing fees. Total repayments during the six-month period amounted to \$343.

As at June 30, 2025, the Company had total debenture payables of \$21,603, compared to \$2,970 at December 31, 2024. During the period, the Company issued \$17,795 in new debentures and recorded \$1,065 in accrued interest. Debentures totaling \$3,505 were converted into shares. The total liability component at June 30, 2025, was \$22,046, of which \$442 was reclassified to debentures payable to management and board members.

## 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 Company's liquidity position has strengthened as of the period ended June 30, 2025. The Company has cash of \$19,067 as at June 30, 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. 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 June 30<sup>th</sup>, 2025.

### 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 contract assets. Accounts receivables and contract assets consist of a large customer base in various geographical areas and the Company's trade receivables and contract assets are not exposed to any significant credit exposure to any single counterparty or group of counterparties having similar characteristics. The Company's net investment in subleases are also well diversified among a range of corporations, individual patients and tenants.

### c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The Company is primarily exposed to foreign currency risk and interest rate risk.

#### Foreign Currency Risk

The Company operates internationally and is exposed to currency risk on transactions that are denominated in a currency other than the functional currency of the relevant group entity and is primarily exposed to risk in the following currencies: New Zealand Dollar (NZD), Australian Dollar (AUD), Pound Sterling (GBP), EURO (EUR), US Dollar (USD), and United Arab Emirates (AED).

As at June 30, 2025, the Company had foreign currency exposure primarily in GBP, USD, NZD, and AUD, with the largest net exposures being GBP (\$7.1M CAD) and USD (\$4.9M CAD). A 10% strengthening or weakening of the Canadian dollar against these currencies would have a \$710 and \$490 impact on profit or loss, with the most significant sensitivities in GBP and USD. The Company monitors this risk due to its international operations and financial assets and liabilities denominated in foreign currencies.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. As described in Note 19, the Company is exposed to interest rate risk with respect to its credit facilities. At June 30, 2025 the amounts outstanding are as follows: \$43,639 (December 31, 2024 - \$nil) from Scotia credit facility and \$910 (December 31, 2024 - \$1,003) from BDC.

If interest rates increased/decreased by 50 basis points and all other variables were held constant, the Company's net loss for the three months ended June 30 2025, would have increased/decreased by \$223 (December 31, 2024 - \$5).

### d) Fair Value

The categories within the fair value hierarchy of the Company's financial instruments carried at fair value are as follows:

As at Asset/(Liability)	Level 1	Level 2	Level 3	June 30, 2025 Total
Call option and warrants	-	-	1,491	1,491
Investments in equity securities	-	-	5,321	5,321
Derivative liability	-	-	(4,917)	(4,917)
Contingent consideration	-	-	(29,787)	(29,787)

As at Asset/(Liability)	Level 1	Level 2	Level 3	December 31, 2024 Total
Call option and warrants	-	-	2,251	2,251
Investments in equity securities	-	-	4,114	4,114
Contingent consideration	-	-	(4,495)	(4,495)

## Valuation techniques and key inputs

Investments in equity securities (non-listed)	Recent comparable transactions, discounts for lack of marketability
Contingent consideration	Discounted cash flow method based upon the probability adjusted revenue of Khure, BioPharma and VeroSource, and the Company share price.
Call options	Black Scholes method, interest rates, volatility, dividend yield, Monte Carlo simulation, business plan parameters. Derivative liability is measured at fair value using a valuation model provided by FINCAD. The model incorporates inputs such as interest rates, volatility and dividend yields as well as contractual terms of the instrument.
Derivative liability	There were no transfers of assets or liabilities in Q2 2025 (2024 - nil) between any levels within the fair value hierarchy.

## MATERIAL ACCOUNTING POLICIES AND ESTIMATES

### General

The preparation of these condensed interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024, except as noted below.

As a result of the Orion Health acquisition during the current period, the Company has revised certain accounting policies to reflect the nature of Orion Health's operations. The revised accounting policies outlined below differ from those disclosed in December 31, 2024 annual consolidated financial statements and are applied prospectively from the date of acquisition.

### Revenue Recognition

Revenue represents the amount the Company expects to receive from products and services in its contract with customers, net of discounts and sales taxes. The company reports revenue under four categories: Software License, Professional Services, Subscription, Support and Maintenance, and Clinical and Other Revenue. Software license revenue comprises non-recurring license fees charged for the use of software products licensed under multiple-year or perpetual arrangements. Professional Services revenue includes fees for implementation services, customer programming, product training, select managed services, consulting, and AI and Data Science Services. Subscription, Support and Maintenance primarily consists of fees charged for customer support on software products post-delivery, subscription and renewable licenses, managed services associated with software sold to the customer and hosted software as a service products. Clinical revenue is generated through full-service early-stage Bioanalysis and Phase I-IV and through the company's medical clinics, telehealth, and virtual care platforms.

### Multiple arrangement service contracts

The Company often enters into contracts with customers that involve the delivery of multiple services or product solutions. Where multiple services are sold in a single arrangement, revenue is recognised in relation to each distinct good or service. A good or service is distinct where, amongst other criteria, a customer can benefit from it on its own or together with other resources that are readily available. Revenue is allocated to each distinct product or service in proportion to its stand-alone selling price and recognised when, or as, control is transferred to the customer.

### Agent/Principal

The Company has arrangements involving subcontracting all or parts of their Support services and Managed services contracts. When applicable, assessments are made at the individual contract level, and revenue is recorded as either gross (principal) or net (agent) of subcontractor costs. The Company engages third-party service providers to deliver broader omnichannel healthcare access services. Where the Company does not control the service prior to transfer to customers, does not bear clinical or operational risk, and has no pricing discretion, the Company is considered to be Agent and the revenue is recorded net of subcontractor costs.

## Nature of Product and Services

Perpetual on-premise licenses are valid in perpetuity and are billed in one lump sum up front or over an agreed period of time. Revenue from the license of distinct software is recognized at the time that both the right-to-use the software has commenced and the software has been made available to the customer. Revenue from perpetual licenses of software that involves complex implementation or customization that is not distinct, is recognized as a combined performance obligation using the percentage-of-completion method based on labour hours. The percentage-of-completion method based on labour hours required the company to make significant judgements to determine the estimated hours to completion which affects the timing of revenue recognized.

Professional Services Revenue is generated from software installation, implementation, training, and customization, managed services and AI and Data Science services such as developing AI-enabled algorithms, Data Lake reports and other specialized services. Contracts for these services are structured as follows:

- Time and Material – Revenue is recognized as such services are performed and based on agreed-upon charge rates with customers.
- Fixed Price Contracts – Revenue is recognized by the stage of completion of the performance obligation determined using the percentage of completion method if the contracts are fixed price. Labour hours are used to measure the progress of the contracts.

Subscription, Support and Maintenance is generated from both the Software and AI and Data Science segments and consists of the following:

- Maintenance and support fees charged for customer support, unscheduled and unspecified software updates on software products. Revenue is recognized ratably over the term of the agreement, commencing from the date the maintenance term begins.
- Subscription-based licenses that include the right to access the software for a given term, technical support, and maintenance services. Revenue is recognized ratably over the term of the agreement, commencing from the date the license term begins.
- The Company provides embedded professional support services through dedicated personnel who operate as part of the customer's team to support the implementation and optimization of Healwell's software solutions. These services are delivered under time-based arrangements and recognized as revenue over time, in line with IFRS 15, based on the period of service provided. The personnel remain under Healwell's employment and direction throughout the engagement.
- Revenue from software-as-a-service (SaaS) arrangements, which provide customers with access to hosted software without transferring control of the underlying software, is recognized on a subscription basis. Revenue from these subscriptions, including access to the hosted software and related maintenance, is recognized ratably over the subscription term. Where customers make significant upfront payments during the initial subscription term, such amounts are recognized ratably over the expected renewal periods, up to the estimated useful life of the software.

Clinical Revenue is generated through Full-Service early-stage Bioanalysis and Phase I-IV and through the Company's medical clinics, telehealth, and virtual care platforms.

- Patient services revenue is revenue earned at a single point in time. It is generated through the Company's medical clinics and virtual platforms and consists of non-insured and insured services. In Canada, public insured services refer to revenue generated for providing publicly accessible healthcare services that are reimbursed by the Canadian provincial health authorities. For services not covered by government reimbursement, amounts are charged directly to patients and/or third parties.
- Professional services revenue from clinical research studies is generated through fixed-price or time and materials, milestone-based contracts with large pharmaceutical, medical device, and consumer product companies. These contracts are designed to evaluate the safety, efficacy, or usability of pharmaceuticals, medical devices, or consumer health products. For Fixed price contracts, revenue is recognized using the percentage-of-completion method, specifically applying the labour hours input method to measure progress. Under this approach, the stage of completion is determined by the ratio of actual

labour hours incurred to the total estimated hours required to fulfill the contract. This ensures revenue is recognized in proportion to the work performed, providing a faithful representation of project progress and aligning revenue recognition with the delivery of the underlying services.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue being earned but not billed. These amounts are included in contract assets. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of contract liabilities.

## **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; (b) the consolidation workbook and certain consolidation entries; and (c) the valuation and allocation of certain complex embedded derivatives; was insufficient, particularly having regard to the complexity of the transactions completed in the last 24 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). Among other things:

- Management has been and continues to expand the Company’s finance team at the Healwell-level, including through the addition of a new Corporate Controller and VP, Finance, and has increased its focus on hiring additional finance personnel in some of its key subsidiaries.
- Management is engaged in a ongoing review of the third-party service providers and professional accounting firms which it retains to assist in the preparation of the financial statements and to assist with complex accounting matters, to evaluate whether any changes are required to the service providers, the responsibilities allocated to service providers, support levels, etc.
- Management has been and is continuing to work to implement certain technological solutions to streamline its financial reporting functions.

- Management has increased its focus on integration efforts with recently acquired subsidiaries to ensure consistency across the organization with respect to matters such as information technology controls; the policies, protocols and procedures followed by accounting, legal and other staff; and the training received by that staff.

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**

The authorized share capital of the Company is an unlimited number of Class A Subordinate Voting Shares, an unlimited number of Class B Multiple Voting Shares ("Multiple Voting Shares") and an unlimited number of Preferred Shares. As at June 30 2025, the Company had 265,740,933 (June 30 2024 – 153,324,450) common shares issued and outstanding.

Share warrants outstanding as at June 30 2025 are 25,706,290 (June 30 2024 – 41,217,990).

Total Deferred share units (DSUs), Restricted Stock Units (RSUs) and Performance Stock Units (PSUs) outstanding as at June 30 2025 were 14,838,943 (June 30 2024 - 5,189,241)

Share options outstanding as at June 30 2025 were 2,697,000 (June 30 2024 – 2,202,000) which entitle the holders to purchase one common share of the Company.

The number of exercisable share options as at June 30 2025 was 1,439,000 (June 30 2024 - 1,105,500).

## **CONTINGENCIES**

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 NOO's 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 auditor. It is too early to make a determination whether any GST/HST dues are payable to CRA.

## **SUBSEQUENT EVENTS**

### **Full Acquisition of Pentavere**

The Company also exercised its call option to acquire the remaining 49% of Pentavere Research Group Inc., gaining full ownership of the developer behind the DARWEN™ AI-driven patient identification platform. With full control of Pentavere, HEALWELL is accelerating integration across its AI portfolio and expanding commercialization of its solutions into global healthcare systems, reinforcing its leadership in AI-powered preventative care