

HEALWELL AI

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Expressed in thousands of Canadian dollars

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Independent Auditor's Report

To the Shareholders and the Board of Directors of Healwell AI Inc.

Opinion

We have audited the consolidated financial statements of Healwell AI Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Business Combination – Orion Health - Refer to Notes 3 and 13 to the financial statements

Key Audit Matter Description

The Company acquired 100% of the shares of Orion Health and recognized the assets acquired and the liabilities assumed at fair value, including intangible assets for customer relationship, trademark and software ("identified intangible assets"). Management used the excess earnings method using a discounted cash flow approach to estimate the fair values of customer relationship

which required management to make significant estimates and assumptions related to revenue growth rates, EBITDA margins and discount rate. The fair value of brand and software was determined using the relief from royalty method, which required management to make significant estimates and assumptions related to revenue growth rates, royalty rates and discount rate.

While there are several estimates and assumptions that are required to determine the fair value of the identified intangible assets, the estimates and assumptions with the highest degree of subjectivity are revenue growth rates and discount rate (“key assumptions”). Auditing these required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the key assumptions used to determine the fair value of the identified intangible assets included the following, among others:

- With the assistance of fair value specialists, evaluated the reasonableness of the revenue growth rates by considering:
 - Historical results of the acquired business;
 - Historical revenue growth rates achieved by selected comparable companies; and
 - Forecasted revenue growth rates of selected comparable companies.
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rate by testing the source information underlying the determination, independently developing a range of acceptable discount rates, and comparing those ranges to the discount rate applied by management.

Assessment of Impairment of Goodwill – Refer to Notes 3 and 11 to the financial statements

Key Audit Matter Description

The Company assesses goodwill for impairment annually as well as whenever events or changes in circumstances indicate that the carrying value may be impaired. An impairment loss is recognized to the extent that the carrying amount of a Cash Generating Unit (“CGU”) exceeds its estimated recoverable amount. The recoverable amounts of the CGUs were determined based on its value in use using a discounted cash flow approach. This required management to make significant estimates and assumptions related to future cash flows, terminal growth rates, EBITDA margins and discount rates. Changes in these assumptions could have a significant impact on the recoverable amount.

While there are several estimates and assumptions that are required to determine the recoverable amounts of certain CGUs, the estimates, and assumptions with the highest degree of subjectivity are future revenue growth rates, EBITDA margins and the selection of the discount rates (“key assumptions”). Auditing these estimates and assumptions required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our procedures related to the key assumptions used to determine the recoverable amounts for certain CGUs included the following, among others:

- Evaluated management's historical forecasting accuracy by comparing prior-period forecasts to actual results.
- With the assistance of fair value specialists, assessed the reasonableness of future revenue growth rates and EBITDA margins by comparing management's forecasts to:
 - Historical achieved revenues and EBITDA margins of the Company;
 - Historical revenue growth rates achieved by selected comparable companies; and
 - Future revenue growth rates and margins of comparable companies.
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rates by testing the underlying source data, independently developing a range of acceptable discount rates, and comparing those ranges to the discount rates applied by management.

Revenue Recognition – Fixed Price Clinical Research and Technology-enabled Rare Disease Screening Contracts - Refer to Note 3 to the financial statements

Key Audit Matter Description

The Company recognizes revenue from fixed price clinical research and technology-enabled rare disease screening contracts over time using the stage of completion of the performance obligation determined using the percentage of completion method. The Company uses the labour hours input method to measure progress for its contracts and the extent of progress towards completion is based on the ratio of labour hours incurred to date to the total estimated labour hours at completion of the performance obligation, which includes both the actual labour hours already incurred and the estimated labour hours to complete the contract. Revenue is recognized proportionally as labour hours are incurred. Due to the nature of the work required to be performed on the performance obligation, management's estimation of labour hours at completion, including labour hours from delays, is complex and requires significant judgment.

Accounting for the Company's fixed price clinical research and technology-enabled rare disease screening revenue for in-progress contracts involved significant judgments to estimate the labour hours at completion, including labour hours from delays. This required an increased extent of audit effort and a high degree of auditor judgment when performing audit procedures and evaluating the results of those procedures.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to estimated labour hours at completion, including labour hours from delays, included the following, among others:

- For a selection of in-progress contracts:
 - Obtained and inspected the executed contracts and amendments, and confirmed key details with management and project management personnel.

- Conducted inquiries with management and project management personnel to gain an understanding of the status of contract activities, deviation between initial and revised labour hours and impact of any delays applicable.
- Agreed the labour hours incurred to date to supporting payroll records and timesheets for a selection of labour hours.
- Evaluated management's ability to achieve the estimated labour hours at completion by performing corroborative inquiry with the Company's operational personnel and by comparing the estimates to management's work plans and labour hours incurred to date.

Emphasis of Matter – Reclassified Comparative Information

We draw attention to Note 33 to the financial statements, which explains that certain comparative information for the year ended December 31, 2024 has been reclassified. Our opinion is not modified in respect of this matter.

The financial statements for the year ended December 31, 2024 excluding the adjustments that were applied to reclass certain comparative information were audited by another auditor who expressed an unmodified opinion on those financial statements on March 31, 2025.

As part of our audit of the financial statements for the year ended December 31, 2025, we also audited the adjustments applied to reclass certain comparative information presented. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to reclass certain comparative information, we were not engaged to audit, review, or apply any procedures to the financial statements for the year ended December 31, 2024. Accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Robert Rourke.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 18, 2026
Toronto, Ontario

HEALWELL AI INC.

Consolidated Statement of Financial Position

<i>(in thousands of Canadian dollars)</i>	Note	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		18,634	9,413
Accounts receivable	4	21,285	5,969
Contract assets	5	16,632	326
Related party receivable	8	1,317	—
Prepaid and other assets	6	6,805	2,351
Lease receivables	18	—	269
		64,673	18,328
Non-current assets			
Property, plant and equipment	9	910	793
Contract assets	5	263	—
Intangible assets	10	106,922	28,303
Right-of-use assets	18	4,172	4,122
Goodwill	11	98,546	67,143
Investment in equity securities	12	5,308	4,114
Investment in joint venture	7	3,000	—
Call option and warrants	14	—	2,251
Deferred tax asset	25	480	—
Other assets	6	714	115
Lease receivables	18	—	366
		284,988	125,535
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15	24,893	9,605
Acquisition related payables	16	—	6,596
Contingent consideration	17	1,087	1,940
Contract liabilities	5	15,295	2,453
Related party loan-current	8	4,303	1,780
Lease liability	18	2,287	946
Debenture payable	19	18,520	—
Loan payable	20	1,273	—
Derivative Liability	19	3,115	—
		70,773	23,320
Long-term liabilities			
Related party loan	8	6,183	9,478
Deferred tax liabilities	25	3,509	6,511
Contingent consideration	17	27,017	2,555
Lease liability	18	3,379	5,237
Debentures payable	19	1,635	2,970
Loan payable	20	48,548	1,792
		161,044	51,863
Shareholders' equity			
Share capital	21	250,426	140,084
Convertible debenture options reserve		462	1,733
Share based payments reserve		27,728	17,291
Accumulated other comprehensive loss		(2,726)	(3)
Deficit		(151,946)	(95,218)
Equity attributable to HEALWELL AI Inc.		123,944	63,887
Non-controlling interest		—	9,785
		123,944	73,672
		284,988	125,535

The financial statements were approved by the Company's board of directors (the "Board of Directors") and authorized for issue on March 18, 2026.

They were signed on behalf of the Company by:

"Alexander Dobranowski" – President/Director

"Ian Kidson" – Director

HEALWELL AI INC.

Consolidated Statement of Loss and Comprehensive Loss

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Note	Years ended	
		December 31, 2025	December 31, 2024 ¹
Revenue			
Subscription, Support and Maintenance		66,767	10,741
Professional Services		35,671	8,970
Software License		1,365	—
Total revenue		103,803	19,711
Cost of revenue		46,512	8,889
Gross profit		57,291	10,822
Expenses			
General and administrative		31,625	20,582
Research and development		16,417	5,795
Sales and marketing		8,876	1,679
Share-based payments		12,994	7,141
Amortization of intangible assets	10	14,310	5,733
Depreciation of property equipment	9	637	184
Depreciation of ROU assets		1,958	156
Impairment charges		—	5,385
Operating expenses	23	86,817	46,655
Loss before other expense (income) and taxes		(29,526)	(35,833)
Financing expenses	24	9,591	1,827
Effect of foreign exchange rate		2,151	—
Changes in fair value of call options	14	1,054	950
Changes in fair value of contingent consideration	17	2,810	(2,580)
Changes in fair value of investments		(1,203)	(277)
Change in fair value of derivative liability		(5,572)	—
Loss on disposal of subsidiary	7	1,423	—
Loss on fixed assets write off		—	228
Debt forgiveness	8	—	(7,863)
Liability extinguishment	18	—	(3,090)
		10,254	(10,805)
Loss before taxes from continuing operations		(39,780)	(25,028)
Income taxes recovery	25	(662)	(1,072)
Net loss for the year on continuing operations, net of tax		(39,118)	(23,956)
Net loss on discontinued operations, net of tax	7	(8,544)	(3,524)
Net loss for the year		(47,662)	(27,480)
Other comprehensive loss			
Foreign currency translation of foreign operations		(2,723)	(3)
Net comprehensive loss for the year		(50,385)	(27,483)
Net loss attributed to			
Non-controlling interests		(553)	(1,187)
Shareholders of HEALWELL AI Inc.		(47,109)	(26,293)
		(47,662)	(27,480)
Net comprehensive loss earnings attributable to			
Non-controlling interests		(553)	(1,187)
Shareholders of HEALWELL AI Inc.		(49,832)	(26,296)
		(50,385)	(27,483)
Loss per share attributable to HEALWELL AI Inc.			
Basic and diluted - Continuing operations	28	(0.15)	(0.19)
Basic and diluted - Discontinued operations	28	(0.03)	—
Basic and diluted	28	(0.19)	(0.19)

¹ Certain comparative figures have been reclassified to conform to the current period's presentation. Refer to Note 7 and 33 – Reclassification of Prior Period Amounts for further details.

HEALWELL AI INC.

Consolidated Statement of Changes in Equity

<i>(in thousands of Canadian dollars, except share amounts)</i>	Note	Class A Subordinate Voting Shares	Share Capital	Convertible Debenture Option Reserve	Contributed Surplus	Translation Reserve	Deficit	Total	Non-Controlling Interest	Total Equity	Class B Multiple Voting Shares
Balance, December 31, 2024		168,829,039	140,084	1,733	17,291	(3)	(95,218)	63,887	9,785	73,672	30,800,000
Net loss and comprehensive loss		—	—	—	—	(2,723)	(47,109)	(49,832)	(553)	(50,385)	
Disposal of Mutuo		—	—	—	—	—	—	—	(3,715)	(3,715)	
Share based Payments	22	—	—	—	12,994	—	—	12,994	—	12,994	
Share issuance	21	12,737,500	23,595	—	—	—	—	23,595	—	23,595	
Acquisition of Orion Health	13	35,412,075	52,030	—	—	—	—	52,030	—	52,030	
Acquisition of Pentavere	14	10,161,562	14,936	—	—	—	(9,619)	5,317	(5,517)	(200)	
Top-up consideration	21	1,175,171	1,845	—	—	—	—	1,845	—	1,845	
Share issuance for settlement of RSUs, PSUs, DSUs and Options	21	2,482,378	3,468	—	(3,590)	—	—	(122)	—	(122)	
Share issued against conversion of debentures	21	38,499,775	6,647	(1,271)	—	—	—	5,376	—	5,376	
Shares against issuance achievement of milestone	21	2,192,330	2,886	—	—	—	—	2,886	—	2,886	
Shares warrants	21	—	—	—	1,144	—	—	1,144	—	1,144	
Exercise of warrants	21	21,832,687	4,935	—	(111)	—	—	4,824	—	4,824	
Balance, December 31, 2025		293,322,517	250,426	462	27,728	(2,726)	(151,946)	123,944	—	123,944	30,800,000

<i>(in thousands of Canadian dollars, except share amounts)</i>	Note	Class A Subordinate Voting Shares	Share Capital	Convertible Debenture Option Reserve	Contributed Surplus	Translation Reserve	Deficit	Total	Non-Controlling Interest	Total Equity	Class B Multiple Voting Shares
Balance, December 31, 2023		87,986,790	67,368	1,964	12,567	—	(69,249)	12,650	8,814	21,464	30,800,000
Net loss and comprehensive loss		—	—	—	—	(3)	(26,293)	(26,296)	(1,187)	(27,483)	
NCI adjustments for Polyclinic		—	—	—	629	—	324	953	(324)	629	
Buyback of Polyclinic NCI Shares	22	—	—	—	1,305	—	—	1,305	(1,468)	(163)	
Share based payments	21	—	—	—	5,084	—	—	5,084	—	5,084	
Shares issuance against release of services	21	850,000	2,057	—	—	—	—	2,057	—	2,057	
Share issuance	21	14,815,000	18,751	—	—	—	—	18,751	—	18,751	
Share issued for acquisition	21	31,949,547	38,146	—	—	—	—	38,146	—	38,146	
Acquisition of Mutuo		—	—	—	—	—	—	—	3,950	3,950	
Share issuance for settlement of RSUs and DSUs and options	21	833,276	2,484	—	(2,217)	—	—	267	—	267	
Share issued against conversion of debentures	21	5,641,838	947	(231)	—	—	—	716	—	716	
Share warrants	21	—	—	—	378	—	—	378	—	378	
Exercise of warrants	21	26,752,588	10,331	—	(455)	—	—	9,876	—	9,876	
Balance, December 31, 2024		168,829,039	140,084	1,733	17,291	(3)	(95,218)	63,887	9,785	73,672	30,800,000

The accompanying notes are an integral part of these consolidated financial statements

HEALWELL AI INC.

Consolidated Statement of Cash Flows

<i>(in thousands of Canadian dollars)</i>	Note	Years ended	
		December 31, 2025	December 31, 2024
Operating activities:			
Net loss for the year		(39,118)	(27,480)
Items not affecting cash:			
Depreciation and amortization	9	16,905	7,297
Deferred tax recovery	25	(662)	(1,213)
Net financing expense	24	7,650	1,672
Share based payments	22	12,994	7,141
Expected credit (recovery) losses	4	(750)	12
Fair value changes in contingent consideration	17	2,810	(2,580)
Loss on foreign currency exchange rates		2,151	—
Gain on disposal of subsidiary	7	1,422	—
Impairment on right of use assets		—	5,363
Changes in fair value of investments		(1,203)	(277)
Changes in fair value of call options	14	1,054	950
Changes in fair value of derivative liability		(5,572)	—
Assets written off	9	—	258
Debt forgiveness	8	—	(7,863)
Liability extinguishment	18	—	(3,088)
Net Change in non-cash operating items	26	(17,175)	(2,832)
Net cash flows used in operating activities from continuing operations		(19,494)	(22,640)
Net cash flows generated in operating activities from discontinued operations		74	21
Net cash flows used in operating activities		(19,420)	(22,619)
Investing activities			
Acquisition of subsidiaries, net of cash acquired	13	(71,902)	(10,634)
Buyback of Polyclinic		—	(625)
Investment in equity securities	12	—	(3,427)
Capitalized development costs	10	(3,734)	(1,221)
Payment of earnout		(386)	267
Proceeds from disposal of subsidiaries net of cash held at subsidiaries		7,410	—
Purchase of property, plant and equipment	9	(737)	(91)
Disposal of property, plant and equipment	9	39	—
Net cash flows used in investing activities from continuing operations		(69,310)	(15,731)
Net cash flows used in investing activities from discontinued operations		(533)	—
Net cash flows used in investing activities		(69,843)	(15,731)
Financing activities			
Proceeds from issuance of shares	21	23,595	19,119
Proceeds from loan, net of issuance cost	20	48,939	—
Proceeds from debenture issuance, net of expenses		27,211	—
Coupon payment on debentures	19	(2,250)	—
(Advances to) from related parties		(1,443)	537
Proceeds from settlement of RSUs		3,468	—
Repayment of promissory note and loans		(3,576)	—
Proceeds from exercise of warrants, net of expenses		4,935	9,876
Repayment to bank loan		(1,308)	—
Interest paid on bank loan		(1,941)	—
Interest paid		(1,313)	(1,168)
Lease payments received	18	—	237
Net cash flows generated in financing activities from continuing operations		96,317	28,601
Net cash flows used in financing activities from discontinued operations		(812)	—
Net cash flows generated in financing activities		95,505	28,601
Effect of currency translation on cash		2,979	—
Net increase (decrease) in cash and cash equivalents		9,221	(9,749)
Cash and cash equivalent at beginning of the year		9,413	19,162
Cash and cash equivalent at ending of the year		18,634	9,413

The accompanying notes are an integral part of these consolidated financial statements

HEALWELL AI INC.

Notes to Consolidated Financial Statements

1. REPORTING ENTITY

HEALWELL AI INC. ("HEALWELL") is a company incorporated in Canada under the *Canada Business Corporations Act* and headquartered in Ontario. The Company's Class A Subordinate Voting Shares trade on the Toronto Stock Exchange (the "TSX") under the symbol AIDX.

The consolidated financial statements of HEALWELL as at and for the years ended December 31, 2025, and December 31, 2024, comprise HEALWELL and its subsidiaries (together referred to as the "Company"). The Company provides:

- AI-driven healthcare information analytics and insights through its Pentavere Research Group Inc. ("Pentavere") and technology-enabled rare disease screening through its Khure Health Inc. ("Khure") subsidiary.
- Subscription-based "Healthcare Software" information software through its Intrahealth Systems Limited ("Intrahealth") and VeroSource Solutions Inc. ("VeroSource") subsidiaries.
- Comprehensive healthcare IT solutions, including electronic health records and interoperability platforms, through its Orion Health Holdings Limited ("Orion Health") subsidiary.

The Company also operated the following businesses during a portion of the reporting period, which were divested on November 1, 2025:

- Pulmonary function testing laboratory services through its North York Pulmonary Function Test Centre subsidiary.
- Clinical research services through its Canadian Phase Onward Inc. ("CPO") and Bio Pharma Services Inc. ("BioPharma") subsidiaries.
- Government-insured primary and specialty healthcare services provided through medical clinics operated by its Quit Clinics subsidiary.
- AI-driven healthcare information analytics and insights through its Mutuo Health Solutions Inc. ("Mutuo") subsidiary.

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

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These financial statements were approved by the Board of Directors on March 18, 2026.

b) Foreign currency translation:

(i) Functional and presentation currency

The Company's consolidated financial statements are presented in Canadian dollars. Each of the Company's subsidiaries determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The determination of functional currency is based on the primary economic environment in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity.

The functional currency of Intrahealth Australia Limited is the Australian dollar, and the functional currency of Intrahealth New Zealand Limited and Intrahealth Systems Limited and Orion Health is the New Zealand dollar. The functional currency of all other entities in the consolidated group is the Canadian dollar.

(ii) Foreign operations translation

Foreign operations that have a functional currency other than the Canadian dollar are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing foreign currency rate at the date of that consolidated statement of financial position;
- income and expenses are translated at the average exchange rate for that period (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rate on the dates of the transactions); and

- all resulting foreign currency gains and losses are recognized in other comprehensive (loss) as a foreign currency translation adjustment.

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

(iii) Transactions in foreign currency

Foreign currency transactions for each entity are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions (or using the average rate for the period when this is a reasonable approximation). Period end balances of monetary assets and liabilities denominated in currencies other than an entity's functional currency are translated into the entity's functional currency using period end foreign currency rates. Foreign exchange gains and losses resulting from the translation or settlement of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statements of loss and comprehensive loss.

c) Use of estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed.

Accounting estimates, judgements and assumptions include the following:

(i) Leases

Management uses judgment and estimates in the determination of the lease term for some lease contracts in which the Company is a lessee, including whether the Company is reasonably certain to exercise lessee options. Management uses judgment and estimates in the determination of the incremental borrowing rate used to measure lease liabilities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate for leases.

(ii) Estimated useful lives of property and equipment and intangible assets

Management estimates the useful lives of property and equipment and intangible assets based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation and amortization for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence, and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property and equipment and intangible assets in the future.

(iii) Impairment of non-financial assets and goodwill

An impairment loss is recognized to the extent that the carrying amount of a cash generating unit ("CGU") exceeds its estimated recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the cash generating unit being tested. Significant assumptions included revenue growth rates, projected margins and discount rates for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Changes in these assumptions could result in impairment being recorded.

(iv) Fair value of share-based payments

Fair value of stock options is determined using the Black-Scholes option pricing model. Inputs to the model are subject to various estimates related to volatility, interest rates, dividend yields, and the expected life of the stock options issued. Fair value inputs are subject to market factors, expected forfeiture rates as well as internal estimates.

(v) Fair value of contingent consideration

Contingent consideration is recorded at its estimated fair value at the acquisition date and is remeasured at the end of each reporting period. The estimated fair value of the applicable contingent consideration is calculated using the discounted estimated financial outcome of the contingent consideration to be paid.

Determining the probability of the acquired business achieving targets requires judgements. Changes in the fair value of the contingent consideration are included of net loss on the consolidated statement of Loss and Comprehensive Loss.

(vi) Deferred tax assets and liabilities

Significant judgements are utilized by the Company in interpreting tax rules and regulations when calculating deferred tax assets and liabilities. Judgements are used to evaluate whether a deferred tax asset can be recovered based on the Company's assessment of existing tax laws, to estimate future profitability, and to develop tax planning strategies. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

(vii) Business combinations

On the completion of business acquisitions, management's judgment is required to estimate the fair value of purchase consideration and to identify and estimate the fair values of assets, liabilities, warrants, call option and non-controlling interests. Determining the fair value of assets, liabilities acquired, and non-controlling interests are based on management's estimates. Customer relationship intangible assets use the excess earnings method using a discounted cash flow approach and software intangible assets use the relief from royalty method. Significant assumptions included revenue growth rates, projected margins, customer attrition, royalty rates, and discount rates. Call options were fair valued using Monte-Carlo Simulation. Significant assumptions included risk free rate, stock price, dividend yield and volatility of share price.

(viii) Fair value of investments

As at December 31, 2025, certain of the Company's investments are measured at fair value, with fair value being determined based on significant unobservable inputs using valuation techniques. Judgements and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. While the Company considers these valuations to be the best reasonably available estimates, changes in assumptions could result in material adjustments to the fair value of the financial instruments, and changes in fair value of investments.

(ix) Discontinued operations

Judgements are required when determining whether a component of the Company is classified as a discontinued operation. A component should be classified as a discontinued operation when it has been disposed of, or if it is classified as held for sale and represents a separate major line of business or geographical area of operation, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Judgements are required when determining whether a component represents a separate major line of business or geographical area of operations.

(x) Financial instruments

The Company raised \$108,118 and \$29,900 in gross proceeds during the year ended December 31 2025 and December 31, 2024 through a combination of convertible debentures, loans, equity and equity with attached warrants. Assumptions are made to determine the fair value of the debentures and warrants associated with these transactions as well as the split in value between debt, the conversion value within the debentures, and warrants. Inputs to the model are subject to various estimates related to volatility, interest rates, dividend yields, and the expected life of the warrants issued.

(xi) Percentage of Completion

The Percentage of Completion ("POC") method is used to calculate the revenue of fixed price projects. This method recognizes revenue and expense in proportion to the completeness of the contracted project. Significant assumptions by management are made to determine the estimated cost to complete the project, which is based on labour hours. Due to the nature of the work required to be performed on the performance obligation, the Company estimates labour hours at completion, which is complex and requires significant judgment. The significant assumptions used by the Company in estimating the labour hours at completion included labour hours and additional labour hours from delays, and such labour hours, if probable, are included in estimated total labour hours.

HEALWELL AI INC.

Notes to Consolidated Financial Statements

3. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements include the following material accounting policies:

a) Basis of Consolidation

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

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

Profit or loss at each component, excluding call options, are attributed to the equity holders of the parent of the Company and to the non-controlling interests. Changes in value of call options in profit or loss are attributable to the shareholders of the parent company only.

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

Name of Entity	Place of business / Country of Incorporation	Economic ownership/Voting interest percentage	Nature of Relationships	Date Acquired
MCI Medical Clinics Inc	Canada	100%	Subsidiary	April 26, 2007
Onehealth Technologies Inc	Canada	100%	Subsidiary	February 16, 2021
Pentavere Research Group Inc.	Canada	100%	Subsidiary	December 1, 2023
Khure Health Inc	Canada	100%	Subsidiary	April 26, 2021
Intrahealth Systems Limited	New Zealand	100%	Subsidiary	February 1, 2024
VeroSource Solutions Inc.	Canada	100%	Subsidiary	July 1, 2024
Orion Health Holdings Limited	New Zealand	100%	Subsidiary	April 1, 2025

b) Business Combinations:

The Company applies the acquisition method to account for business combinations. The consideration for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Company. The consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, at either the non-controlling interest's fair value or proportionate share of the recognized amounts of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Goodwill is initially measured as the excess of the consideration paid over the fair value of net identifiable assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of loss and comprehensive loss.

The Company recognizes contingent consideration relating to its business combinations at fair value at the date the transaction closes and revalues the component of contingent consideration recognized as a liability at each subsequent reporting date and on settlement through earnings. Contingent consideration that will be settled by delivering a fixed number of common shares is classified as equity and not revalued at each subsequent reporting date.

The Company recognizes any non-controlling interest on consolidation at the fair value of the proportionate share of the net assets acquired. When the Company acquires an asset via a step transaction, the Company remeasures and adjusts any previously held interest to fair value.

c) Revenue recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services or products. The Company generates revenue from Healthcare Software, AI and Data Sciences, and Clinical Research and Patient Services (prior to its divestiture on November 1, 2025).

(i) Healthcare Software consists of revenue generated from electronic health record software and healthcare data management services. This revenue is derived from:

- Annual Renewable Software Licenses – These licenses include the right to access the software for a given term, technical support, and maintenance services. The revenue is recognized ratably over the term of the agreement from the date the license term commences.
- Professional Services Revenue – This revenue is generated from software installation, implementation, training, and customization. Contracts for these services are structured as follows:
 - i. Time and Material – Revenue is recognized as such services are performed and based on agreed-upon charge rates with customers.
 - ii. 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. The input method is used to measure the progress of the contracts.

(ii) AI and Data Sciences generate revenue from rare and chronic disease screening, real-world evidence clinical study generation, advanced clinical decision support, and Physical ASI Co-Pilot Tools. This revenue is derived from:

- Services Revenue - This revenue is generated from developing AI-enabled algorithms, data lake reports, and other specialized services. These contracts are milestone-based and structured as follows:
 - i. Time and Material – Revenue is recognized as such services are performed and based on agreed-upon charge rates with customers.
 - ii. 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. The input method is used to measure the progress of the contracts.
- Annual Renewable Software Licenses – These licenses include the right to access the software for a given term, technical support, and maintenance services. The revenue is recognized ratably over the term of the agreement from the date the license term commences.

(iii) Clinical Research and Patient Services generated revenue through full-service early-stage Bioanalysis and Phase I-IV clinical trials and through the Company's medical clinics, telehealth, and virtual care platform. This business line was divested by the Company on November 1, 2025. Prior to that, revenue was derived from:

- Patient services revenue was 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. This revenue is earned at a single point in time.
- Professional services from clinical research studies related to amounts charged to large pharmaceutical, medical device, and consumer produce companies to study the efficacy and use of pharmaceuticals, medical devices, and consumer products. These contracts are structured as milestone-based fixed-price projects where revenue is recognized as follows:
 - i. 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. The labour hours input method is used to measure the progress of the contracts. Under this method, the extent of progress towards completion is based on the ratio of labour hours incurred to date to the total estimated labour hours at completion of the performance obligation, which includes both the actual labour hours already incurred and the estimated labour hours to complete the contract. Revenue is recognized proportionately as labour hours are incurred.

d) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment loss. Cost includes expenditures that are directly attributable to the acquisition of an asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and are recognized net within other expenses in the consolidated statement of loss and comprehensive loss.

Costs associated with the day-to-day servicing of property and equipment are recognized in the consolidated statement of loss and comprehensive loss as incurred.

Depreciation is provided on a straight-line basis over the estimated useful life of property and equipment, as this most closely reflects the pattern of consumption of the future economic benefits embodied in the asset. Useful lives are as follows:

Medical equipment	3 - 10 years
Furniture and equipment	5 - 10 years
Right-of-use assets	Term of the right-of-use plus renewal options
Leasehold improvements	Term of lease plus renewal options

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of loss and comprehensive loss. Amortization is being provided over the estimated useful life of the assets using the straight-line method over the following.

Trademarks	10 years
Software & product development	3-10 years
Customer relationships	8-12 years

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses.

f) Leases:

A lease is contract, or a part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

In assessing whether there is an identified asset, the Company considers whether the supplier has substantive substitution rights. If the supplier has those rights, the contract is not identified as a lease.

In determining whether the Company derives substantially all the economic benefits from the use of the asset, the Company considers only the economic benefits arising from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company is entitled to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If important decisions are not made because they are predetermined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or part of a contract does not meet these criteria, the Company applies other applicable IFRS Accounting Standards instead of IFRS 16, Leases ("IFRS 16").

All leases are accounted by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less when the Company is the lessee.

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Notes to Consolidated Financial Statements

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognized in the consolidated statement of loss and comprehensive loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e., it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

A sub-lease occurs when the Company, as a lessee in a head lease, grants a right to use the same asset (or part of it) to another party (the sub-lessee) for a period that is shorter than the head lease term.

At the inception of a sub-lease, the Company assesses and classifies it as either a finance lease or an operating lease:

- Finance Lease: If the sub-lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the sub-lessee, it is classified as a finance lease.
- Operating Lease: If the sub-lease does not transfer substantially all the risks and rewards incidental to ownership, it is classified as an operating lease.

The classification is assessed at the inception of the sub-lease based on IFRS 16's guidance on lease classification.

Sub-Lease Classified as a Finance Lease:

- The Company derecognizes the right-of-use (ROU) asset related to the head lease.
- A lease receivable is recognized, measured at the present value of future lease payments receivable.
- The difference between the carrying amount of the ROU asset and the lease receivable is recognized in profit or loss.
- Interest income is recognized over the lease term using the effective interest rate method.
- The lease liability under the head lease remains and continues to be accounted for as per IFRS 16.

Sub-Lease Classified as an Operating Lease:

- The Company continues to recognize the ROU asset from the head lease and depreciates it over the shorter of its useful life or the remaining lease term.
- Lease income from the sub-lease is recognized in profit or loss on a straight-line basis or another systematic basis, if more representative of the benefit received.

g) Impairment of Non-Financial Assets:

The Company tests for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the consolidated statement of loss and comprehensive loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of loss and comprehensive loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite lives are tested for impairment at least annually. Goodwill, intangible assets with indefinite or finite lives, property and equipment are also tested for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may be less than its recoverable amount.

For impairment testing, non-financial assets that do not generate independent cash flows are grouped together into CGUs, which represent the level at which largely independent cash flows are generated. Goodwill is allocated to CGUs or groups of CGUs based on the level at which it is monitored for internal reporting purposes.

An impairment loss is recognized in earnings to the extent that the carrying value of an asset, CGU or group of CGUs exceeds its estimated recoverable amount. The recoverable amount of an asset, CGU or group of CGUs is the greater of its value in use and its fair value less cost of disposal.

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An impairment loss relating to a specific asset reduces the carrying value of the asset. An impairment loss relating to a CGU or group of CGUs first reduces the carrying value of the goodwill allocated to the CGU or group of CGUs, then reduces the carrying value of the other assets of the CGU or group of CGUs on a pro-rata basis. An impairment loss in respect of goodwill is not reversed. A previously recognized impairment loss relating to other non-financial assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss related to nonfinancial assets other than goodwill is reversed if there is a subsequent increase in recoverable amount, but only to the extent of the carrying value that would have been determined, net of depreciation or amortization, if no impairment had been recognized.

h) Taxes:

Current income tax

Current income taxes are the expected taxes payable on the taxable income for the year, using income tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to income taxes payable in respect of previous years.

Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as well as the impact of unused tax loss carry forwards and unused tax credits at the reporting date. Temporary tax differences that do not result in temporary differences include goodwill, the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit, and investments in subsidiaries, and associates. Deferred tax assets not recognized and interests in joint arrangements where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable. Enacted or substantively enacted rates in effect at the consolidated balance sheet date that are expected to apply when the deferred income tax asset is realized, or the deferred tax liability is settled are used to calculate deferred income taxes. Deferred tax is not recognized for a non-capital loss and deferred financing costs where it is not certain that a deferred tax asset on these tax attributes will be realized based on future profits generated by that entity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

i) Financial Instruments:

Classification of Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

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The Company's financial assets and liabilities are classified as follows:

Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Other assets	Amortized cost
Investment in equity securities	FVTPL
Investment in joint venture	FVTOCI
Bank loan	Amortized cost
Debenture payable	Amortized cost
Loans payable	Amortized cost
Related party loan	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Acquisition related payable	Amortized cost
Non-controlling interest redeemable liability	Amortized cost
Liability for contingent consideration	FVTPL
Derivative liability	FVTPL
Other liabilities	Amortized cost

Measurement of Financial Instruments

Financial assets and liabilities at amortized cost

Except for trade receivables, at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, the Company measures the financial assets and liabilities at amortized cost. Trade receivable are measured at their transaction price at initial recognition when the work is complete and the Company is entitled to receive payment based on the agreed upon payment terms.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise.

Expected Credit Losses

The Company recognizes loss allowances for expected credit losses on financial assets, other than financial assets measured at fair value through profit and loss. The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting for all possible default events over the assets' contractual lifetime.

A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

j) Convertible Debenture

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. If the conversion feature meets the definition of equity, the fair value of the liability component is estimated at the date of issue of the instrument using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability (net of transaction costs) on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, and is not subsequently remeasured. Transaction costs are apportioned between the liability and equity components of the convertible instruments, based on the allocation of proceeds to the financial liability and equity components when the instruments are initially recognized. Interest related to the financial liability component is recognized in the consolidated statement of loss and comprehensive loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

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If the conversion feature of a convertible instrument issued does not meet the definition of an equity instrument, it is classified as an embedded derivative and measured accordingly. The debt component of the instrument is determined by deducting the fair value of the equity conversion option at inception from the fair value of the consideration received for the instrument as a whole. This amount (the debt component) is recorded as a liability on an amortized cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

k) Research and development

Research costs are expensed in the period incurred. Development costs are capitalized and recorded as an intangible asset when certain criteria are met, most notably when the intangible asset is identifiable and controlled by the Company, technical feasibility of completing the asset has been established, and it is considered probable that the Company will generate future economic benefits from the asset created upon completion of development. The costs capitalized include directly attributable salaries and benefits, consulting costs and overhead expenditures. All other development costs are expensed in the period incurred.

l) SR&ED Investment tax credits

The Company claims investment tax credits as a result of incurring scientific research and experimental development ("SR&ED") expenditures. Investment tax credits are recognized when the related expenditures are incurred and there is reasonable assurance of their realization. Investment tax credits are accounted for as a reduction of research and development expense on the consolidated statement of loss and comprehensive loss. Management has made a number of estimates and assumptions in determining the expenditures eligible for the investment tax credit claim. It is possible that the allowed amount of the investment tax credit claim could be materially different from the recorded amount upon assessment by regulatory authorities.

m) Discontinued Operations

A discontinued operations is a component of the Company that has been disposed of or is classified as held for sale and that represents a major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view for resale. The results of discontinued operations are presented separately in the consolidated statement of loss and comprehensive loss and the comparative period is re-presented as if the operations had been discontinued from the start of the comparative year.

n) Share-Based Payment Transactions

(i) Share-Based Payment Plan

The Company has a share-based payment plan under which the Company issues stock options. Stock options generally vest over a four-year vesting period with 25% of the options vested and exercisable after the first year and each of the next three years. The Company applies a fair value method of accounting to each installment of stock options granted to employees.

The grant date fair value of stock options granted to employees is recognized as share-based compensation expense, with a corresponding increase to contributed surplus, over the period that the employees become unconditionally entitled to the stock options. The expense is adjusted to reflect the estimated number of options expected to vest at the end of the vesting period. Compensation cost is recognized so that each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. No compensation expense is recognized for options that are forfeited and have not met the service requirement for vesting. When options are exercised, the proceeds, as well as the related amount in contributed surplus, are credited to share capital. The Company uses the Black-Scholes option pricing model to determine the fair value of stock options at the grant date. Measurement inputs include the price of shares on the measurement date, exercise price of the option, expected volatility, weighted average expected life of the option (based on historical experience), expected dividends and the risk-free interest rate.

(ii) Deferred Share Units ("DSU"), Restricted stock units (RSUs) and Performance stock units (PSUs)

The Company may issue DSUs under its share-based payment plan to directors as a component of their annual remuneration or as an individual award. DSUs awarded can be equity-settled or cash-settled at the discretion of the Company's Board of Directors. DSUs may be issued with vesting terms or may be issued fully vested. DSUs are settled when the board member is no longer rendering services to the Company.

RSUs may be granted to employees, directors or contractors under the share-based payment plan. RSUs may be issued with vesting terms or may, in limited circumstances, be issued fully vested and are typically equity-settled awards, though they may be cash-settled at the discretion of the Company's Board of Directors.

Under the Company's share-based payment plan, PSUs may be granted to employees, directors or contractors. PSUs have performance milestones associated with them that are tied to key performance indicators used by management to assess performance of the Company overall, as well as individual business units depending on the employee's contribution.

HEALWELL AI INC.

Notes to Consolidated Financial Statements

Grants of DSUs, RSUs and PSUs made under the share-based payment plan must be approved by the Human Resources and Compensation Committee and the Company's Board of Directors and are most typically equity-settled. Equity-settled awards are recorded as contributed surplus in the statement of changes in shareholders' equity based on the fair value of the award at the date of grant.

o) Loss per Share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of Class A Subordinate Voting Shares ("Subordinate Voting Shares") outstanding during the year. Diluted loss per share is calculated by dividing the loss for the year by the sum of the weighted average number of Subordinate Voting Shares outstanding and any dilutive Subordinate Voting Share equivalents outstanding during the year. Subordinate Voting Share equivalents consist of the shares issuable upon exercise of stock options calculated using the treasury stock method. Subordinate Voting Share equivalents are not included in the calculation of the weighted average number of shares outstanding for diluted loss per share when the effect would be anti-dilutive. Class B Multiple Voting Shares of the Company ("Multiple Voting Shares") are not included in loss per share calculations as they do not have any economic rights.

p) Non-Controlling Interest

Non-controlling interest represents the accumulated interest for minority shareholders in subsidiaries that are less than 100 percent owned by the Company. The non-controlling interest is recognized at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

q) New standards, interpretations and amendments not yet effective

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

In May 2024, the International Accounting Standards Board issued amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures, effective for annual periods beginning on or after January 1, 2026. The amendments clarify the assessment of contractual cash flow characteristics of financial assets with contingent features, introduce additional disclosure requirements for certain financial instruments, and provide guidance on settlement-date accounting, including a policy election related to the recognition of financial assets and liabilities arising from electronic transfers.

The Company holds financial instruments that include contingent consideration, investments measured at fair value through profit or loss, and debt arrangements. The Company is currently assessing the impact of the amendments and does not expect a material impact on the measurement of its financial instruments. The Company is also evaluating the settlement-date accounting guidance and whether it will apply the policy election for electronic transfers upon adoption. Based on the assessment to date, no material impact on the timing of recognition is expected; however, additional disclosures may be required upon adoption.

4. ACCOUNTS RECEIVABLE

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Accounts receivable consist of the following:		
Trade receivables - Clinical Research & Patient services	—	1,550
Trade receivables – AI & Data sciences	3,434	2,519
Trade receivables - Healthcare Software	21,589	2,090
Allowance for doubtful accounts	(3,701)	—
Expected credit losses	(37)	(190)
	21,285	5,969

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Notes to Consolidated Financial Statements

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

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
As at January 1	190	25
Changes from acquisitions during the year	4,298	153
Recovery of provision for expected credit losses- continuing operations	(750)	12
	3,738	190

The Company applies IFRS 9, Financial Instruments ("IFRS 9") to account for expected credit losses (ECL) on trade and accrued receivables using both specific and general provisions:

- A \$3,701 specific provision (December 31, 2024 – nil) has been recognized for certain customers with elevated credit risk due to prolonged aging and collection uncertainty.
- A general provision of \$37 (December 31, 2024 – \$190) reflects lifetime ECL on the remaining receivables portfolio, using a simplified approach to measure lifetime ECL.

The ECL provisions are reviewed regularly based on updated credit risk assessments.

5. CONTRACT ASSETS/(LIABILITIES)

Each customer is billed in accordance with the terms of the contractual arrangement that it has entered with the Group. This means that customer billing and payments are not always aligned with revenue recognition. Contract assets arise when revenue is recognized prior to a customer being billed. Contract liabilities arise when a customer is billed in advance of revenue being earned.

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Contract assets	16,895	326
Contract liabilities	(15,295)	(2,453)
Net positions	1,600	(2,127)

<i>Contract assets</i>	Total
Balance as at January 1, 2025	326
Additions through acquisition	18,397
Invoiced	(24,354)
Recognized	24,387
Adjustments	(968)
Decreases through divestments	(893)
Balance, December 31, 2025	16,895
Non-Current	263
Current	16,632

HEALWELL AI INC.

Notes to Consolidated Financial Statements

<i>Contract liabilities</i>	Total
Balance as at January 1, 2025	2,453
Additions through acquisition	20,096
Invoiced	70,934
Recognized	(71,898)
Currency Translation	(1,551)
Decreases through divestments	(4,736)
Balance, December 31, 2025	15,298

6. PREPAID AND OTHER ASSETS

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Prepaid expenses	4,998	1,119
Harmonized Sales Tax (HST)	1,807	1,082
Others	714	265
	7,519	2,466
Less: current portion assets	(6,805)	(2,351)
	714	115

7. DISPOSAL OF SUBSIDIARY

On November 1, 2025, the Company completed a series of strategic transactions with WELL Health Technologies Corp. ("WELL") and its subsidiaries, WELL Health Clinics Network Inc. ("WHCN") and WELLSTAR Technologies Corp. ("WELLSTAR"). The transactions included the sale of the Company's Polyclinic Family Medicine and Speciality Clinics Group ("Polyclinic") to WHCN, the sale of the Company's interest in Mutuo to WELLSTAR, and the creation of a clinical research joint venture with WELL, that includes BioPharma and CPO.

a) Clinical Research and Patient Services Segment

The Company divested Polyclinic to WHCN for total consideration of up to \$2,400, comprising \$1,200 in cash at closing and up to \$1,200 in an earn-out payable in 2026.

The Company and WELL formed a 50/50 clinical research joint venture, implemented through a limited partnership structure, to advance late-stage clinical research opportunities in Canada. The Company contributed its subsidiaries Bio Pharma and CPO, receiving 3,000,000 Class A LP Units valued at \$3,000, while WELL committed \$3,000 in capital for an equivalent number of Class B LP Units. An initial \$500 capital call was funded at closing. The general partner of the limited partnership is controlled by WELL.

The Company does not control the limited partnership and, based on the structure of the arrangement and the rights and obligations conveyed through the limited partnership units, has concluded that its interest represents a financial asset rather than an investment in a subsidiary. Accordingly, the investment is accounted for in accordance with IFRS 9, Financial Instruments, and is measured at fair value through other comprehensive income (OCI).

As a result of the foregoing transactions, during the year ended December 31, 2025, the Company classified its Clinical Research and Patient Services segment as discontinued operations. In connection with management's decision to dispose of the segment, the related disposal group was classified as held for sale and measured at the lower of its carrying amount and fair value less costs to sell.

Based on management's assessment at the time of classification, expected sale proceeds of approximately \$4,200, together with an earnout receivable of \$160, less estimated selling costs of \$200, resulted in a fair value less costs to sell of \$4,160. The carrying amount of the disposal group's net assets prior to impairment was \$14,457, resulting in an impairment loss of \$10,297, which was recognized during the three months ended September 30, 2025. The impairment loss was fully allocated to goodwill.

The consideration received for the Clinical Research and Patient Services segment included total cash consideration of \$1,200, which was received in November 2025. Upon completion of the disposal, the Company recognized a gain on disposal of \$172, which reflects the excess of the consideration received over the carrying amount of the net assets disposed of at the disposal date.

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Notes to Consolidated Financial Statements

The impairment loss, the gain on disposal, and the operating results of the Clinical Research and Patient services segment up to the date of disposal have been presented within Net (loss) from discontinued operations in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2025.

The tables below shows the assets and liabilities of the Clinical Research and Patient services segment that has been derecognized in the consolidated statement of financial position as at December 31 2025.

<i>Clinical Research and Patient services</i>	November 1, 2025
Cash	1,847
Accounts Receivable	1,763
Other assets and goodwill	13,920
Property, plant and equipment	391
Accounts payable and accrued liabilities	(3,859)
Deferred Revenue	(4,423)
Other Liabilities	(5,451)
Total net assets/(liabilities) derecognized	4,188
Total Consideration Received	4,200
Earnout receivables	160
Gain on disposal	(172)

The table below present the results of the Clinical Research and Patient services segment for the years ended December 31, 2025 and 2024 which is classified as discontinued operations for the year ended December 31 2025.

<i>Clinical Research and Patient services</i>	December 31, 2025	December 31, 2024
Clinical and other revenue	23,759	19,737
Cost of Revenue	16,337	13,076
Operating expenses	11,885	9,718
Impairment	10,297	—
Loss before other expense (income) and taxes	(14,760)	(3,057)
Financing expenses	459	165
Liability extinguishment	(5,749)	3
Loss/(Gain) on disposal of subsidiary	(172)	78
Loss before taxes	(9,298)	(3,303)
Income tax recovery	754	(221)
Net comprehensive loss for the period	(8,544)	(3,524)

b) **Mutuo Health Solutions Inc.**

On November 1, 2025, the Company also sold its 58.66% interest in Mutuo to WELLSTAR for total cash consideration of \$8,200, subject to customary working capital and debt adjustments, of which \$600 is held in a four-month indemnity holdback. The transaction resulted in the Company losing control of Mutuo.

As a result of the transaction, the Company recognized a gain on disposal of subsidiary of \$3,739, which has been recorded within loss on disposal of subsidiary in the Consolidated Statement of Loss and Comprehensive Loss for the year ended December 31, 2025. The results of Mutuo have continued to be presented within continuing operations, as the disposal did not meet the criteria for discontinued operations.

The tables below shows the assets and liabilities of Mutuo that has been derecognized in the consolidated statement of financial position as at December 31, 2025.

HEALWELL AI INC.

Notes to Consolidated Financial Statements

<i>Mutuo</i>	December 31, 2025	December 31, 2024
Cash	264	513
Accounts Receivable	69	(3)
Other Assets	7,879	7,230
Accounts payable and accrued liabilities	(134)	(142)
Deferred Revenue	(314)	(263)
Other Liabilities	500	495
Total net assets/(liabilities) derecognized	8,264	7,829
Non-controlling interest	3,714	
Total Consideration Received	7,673	
Earnout Receivables	616	
Gain on disposal	(3,739)	

The Company recognized a gain of \$3,739 on the disposition of Mutuo, representing the excess of proceeds over the carrying value of the net assets disposed. However, this gain was offset by a \$5,749 loss related to debt forgiveness associated with BioPharma, together with a gain of \$586 of intercompany revenue charged to the divested entities, resulting in a net loss of \$1,423 for the period.

8. RELATED PARTY BALANCES AND TRANSACTIONS

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

- WELL Health Technologies Corp. (WELL) – has common directors with the Company and is a significant/controlling shareholder of the Company.
- HEALWELL management, officers and board members.
- McCrae Limited – related party due to its association with the Orion Health acquisition and the involvement of Ian McCrae, who serves on the Board of Directors of the Company.

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Notes to Consolidated Financial Statements

a) Related party balance

<i>(in thousands of Canadian dollars)</i>	Note	December 31, 2025	December 31, 2024
WELL Health Technologies Corp			
2023 Debenture payable	19	—	2,996
Operating loan payable		2,795	676
Deferred Consideration - Intrahealth			
Convertible principal promissory note including accrued interest		5,700	5,300
Holdback – Intrahealth		606	606
Related parties of Intrahealth			
Operating loan payable		260	462
Management and Board members			
2023 Debenture payable	19	483	726
		10,486	11,408
Total current portion		(4,303)	(1,780)
Non-current portion payables		6,183	9,628

Receivables

Holdback – MCI Alberta	150	150
Holdback – Mutuo	616	—
Earnout receivable – Clinical research and patient services	160	—
Operating loan receivable - current	343	—
Other related parties - Healwell	48	—
Total receivables	1,317	150

b) Related party transactions

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

<i>(in thousands of Canadian dollars)</i>	Years ended December 31, 2025	December 31, 2024
WELL Health Technologies Corp.		
Debt forgiveness	—	(7,863)
Transition services	2,097	1,487
Revenue from related parties	(622)	—
Interest on debentures	142	510
Interest on promissory notes	400	300
Management and Board members		
Interest on debentures payable	101	140
Transition services	833	—

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Notes to Consolidated Financial Statements

On February 1, 2024, in connection with its acquisition of Intrahealth, the Company delivered promissory notes to WELL for a portion of the purchase price in the aggregate principal amount of \$5,000. The promissory notes currently bear interest at a rate of 8% per annum. The notes were initially repayable over the 10 months following the closing date, in either cash or shares. WELL and the Company subsequently agreed to amend the notes to extend the maturity date to September 30, 2027. The outstanding principal and any accrued and unpaid interest may be converted, at the option of WELL and subject to certain conditions, into Subordinate Voting Shares of the Company at a conversion price based on the 5-day VWAP for Subordinate Voting Shares on the date a conversion notice is delivered. Payments are required to be made in Canadian dollars at a designated location.

The convertible debentures issued on October 1, 2023 (the "2023 Debentures") bear interest at a rate of 10% per annum and mature 5 years from their date of issue. The principal and interest outstanding under the 2023 Debentures are convertible into Subordinate Voting Shares at \$0.20/share. For every \$1 of 2023 Debentures purchased, subscribers also received 5 warrants for Subordinate Voting Shares exercisable at \$0.20/share (Note 21).

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

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Notes to Consolidated Financial Statements

9. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<i>(in thousands of Canadian dollars)</i>	Note	Medical equipment	Furniture and Equipment	Leasehold Improvements	Total
Cost					
Balance, December 31, 2024		693	3,016	3,791	7,500
Additions		—	713	24	737
Acquisition through business combination	13	—	457	189	646
Disposals		—	(339)	—	(339)
Reclassifications		(182)	182	—	—
Translation Reserve		—	44	36	80
Disposal of subsidiary and assets		(511)	(2,373)	(3,034)	(5,918)
Balance, December 31, 2025		—	1,700	1,006	2,706
Balance, December 31, 2023		314	3,262	3,501	7,077
Additions		29	62	—	91
Acquisition through business combination		379	147	290	816
Disposals		(29)	(464)	—	(493)
Reclassifications		—	9	—	9
Balance, December 31, 2024		693	3,016	3,791	7,500
Accumulated Depreciation					
Balance, December 31, 2024		411	2,773	3,523	6,707
Depreciation from continuing operations		—	481	156	637
Depreciation from discontinued operations		83	73	42	198
Disposals		—	(300)	—	(300)
Reclassifications		(30)	30	—	—
Translation Reserve		—	41	34	75
Disposal of subsidiary and assets		(464)	(2,248)	(2,809)	(5,521)
Balance, December 31, 2025		—	850	946	1,796
Balance, December 31, 2023		277	2,774	3,495	6,546
Depreciation		166	202	28	396
Disposals		—	(235)	—	(235)
Reclassifications		(32)	32	—	—
Balance, December 31, 2024		411	2,773	3,523	6,707
Carrying Amounts					
Balance, December 31, 2025		—	850	60	910
Balance, December 31, 2024		282	243	268	793

HEALWELL AI INC.

Notes to Consolidated Financial Statements

10. INTANGIBLE ASSETS

Intangible assets consist of the following:

<i>(in thousands of Canadian dollars)</i>	Note	Customer Relationships	Non-Compete Contracts	Trademarks	Software & Product Development	Total
Cost						
Balance, December 31, 2024		19,505	303	1,050	23,322	44,180
Additions		—	—	—	3,734	3,734
Acquisition through business combination	13	41,156	—	13,724	42,455	97,335
Translation Reserve		339	—	164	(2,657)	(2,154)
Disposal of subsidiary and assets		(5,153)	(303)	—	(2,587)	(8,043)
Balance, December 31, 2025		55,847	—	14,938	64,267	135,052
Accumulated Amortization						
Balance, December 31, 2024		6,385	5	115	9,372	15,877
Amortization from continuing operations		4,458	25	1,183	8,644	14,310
Amortization from discontinued operations		468	—	—	(1)	467
Translation Reserve		(77)	—	(36)	(95)	(208)
Disposal of subsidiary and assets		(1,794)	(30)	—	(492)	(2,316)
Balance, December 31, 2025		9,440	—	1,262	17,428	28,130
Balance, December 31, 2023		4,763	—	9	4,888	9,660
Amortization		1,622	5	106	4,484	6,217
Balance, December 31, 2024		6,385	5	115	9,372	15,877
Carrying Amounts						
Balance, December 31, 2025		46,407	—	13,676	46,839	106,922
Balance, December 31, 2024		13,120	298	935	13,950	28,303

The Company acquired \$97,335 of intangible assets, composed of customer relationships, trademark and software Intellectual property. The acquired customer relationship assets were valued with key inputs of revenue growth rates, customer attrition rates, and a discount rate determined using a capital asset pricing model and have an estimated useful life of 10 years. The acquired trademark was valued using the royalty method, incorporating assumptions around royalty rates benchmarked to comparable market transactions, forecast revenue attributable to the brand and a market-based discount rate with an estimated useful life of 10 years. The software intellectual property was valued incorporating assumptions around royalty rates, technology migration factor and a market-based discount rate with an estimated useful life of 10 years.

During the year ended December 31, 2025, the Company capitalized \$3,734 of development costs (December 31, 2024 – \$1,221). Intrahealth, VeroSource and Orion were the only subsidiaries that capitalized costs in the year ended December 31, 2025.

HEALWELL AI INC.

Notes to Consolidated Financial Statements

11. GOODWILL

<i>(in thousands of Canadian dollars)</i>	Note	Total
Cost		
Balance, December 31, 2024		67,143
Additions through business combinations	13	55,309
Effect of movements in exchange rates and other		(4,125)
Impairment		(10,297)
Disposal of subsidiary		(9,484)
Balance, December 31, 2025		98,546
Balance, December 31, 2023		12,305
Additions through business combinations		59,342
Effect of movements in exchange rates and other		9
Impairment		(4,513)
Balance, December 31, 2024		67,143

For the year ended December 31, 2025, the Company has identified the following CGU's to which goodwill had been allocated, each of which was tested for impairment annually as at December 31 if applicable: (i) Data Science & AI (ii) Intrahealth, (iii) VeroSource and (iv) Orion Health. The Company's healthcare software operating segment is comprised of Intrahealth, VeroSource, and Orion Health.

The Company tests goodwill for impairment on an annual basis as at December 31 and whenever events or changes in circumstances indicate that an asset's carrying amount may be less than its recoverable amount.

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Polyclinic ¹	—	3,904
CPO ¹	—	283
Data Science & AI	8,120	8,120
Intrahealth	16,887	16,905
BioPharma ¹	—	14,390
VeroSource	19,269	19,269
Mutuo	—	4,272
Orion Health	54,270	—
	98,546	67,143

For impairment tests performed as at December 31, 2025 and December 31, 2024, the recoverable amount of each CGU or group of CGU's was determined based on its value in use using a discounted cash flow approach. Discounted cash flows were based on multi-year cash flow projections derived from financial budgets or forecasts approved by management using the following significant assumptions:

(i) Average Annual Revenue Growth Rate

The average annual revenue growth rate for each CGU or group of CGU's was estimated based on historical growth and management expectations of market development.

(ii) Discount Rate

The discount rate for each CGU or group of CGU's was determined by estimating a weighted average cost of capital reflecting the time value of money and risks associated with the business.

¹ Balances for Polyclinics (\$3,904), BioPharma (\$14,390) and CPO (\$283) at December 31, 2024 were partially impaired prior to their reclassification to assets held for sale during the three-month period ended September 30, 2025. An impairment loss of approximately \$10,297 was recognized within discontinued operations prior to reclassification. The remaining carrying amounts were subsequently derecognized as part of the disposal transaction and reflected in the loss on sale within discontinued operations.

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Impairment Tests as at December 31, 2025

The carrying values of goodwill and key assumptions used for each CGU or group of CGU's for the impairment tests performed as at December 31, 2025 were as follows:

CGU or group of CGUs	Carrying value of CGU or group of CGUs	Carrying value of goodwill in CGU or group of CGUs	Carrying value of definite life intangible assets in CGU or group of CGUs	Average annual revenue growth rate	Discount rate
Intrahealth	23,338	16,887	6,771	11.6%	10.8 %
Data Science & AI	14,274	8,120	5,001	22.0%	11.5%
Verosource	22,802	19,269	4,611	14.8%	10.0%
Orion Health	96,546	54,270	90,538	5.5%	12.8%

The Company did not recognize an impairment loss related to goodwill or intangibles assets during the period ended December 31, 2025, because the recoverable amounts of the Company's CGU's or group of CGU's, as applicable, exceeded the carrying values.

The Company did not recognize an impairment loss related to goodwill or intangibles assets during the period ended December 31, 2024, of any other CGU's because the recoverable amounts of the Company's CGU's or group of CGU's, as applicable, exceeded the carrying values.

Impairment Tests as at December 31, 2024

The carrying values of goodwill and key assumptions used for each CGU or group of CGU's for the impairment tests performed as at December 31, 2024 were as follows:

CGU or group of CGUs	Carrying value of CGU or group of CGUs	Carrying value of goodwill in CGU or group of CGUs	Carrying value of definite life intangible assets in CGU or group of CGUs	Average annual revenue growth rate	Discount rate
BioPharma	20,422	18,903	2,023	5.6%	13%
CPO	2,151	283	1,604	10.7%	18.5%
Intrahealth	24,934	16,905	8,216	7.4%	12.5%
Pentavere	13,338	7,688	4,614	24%	19.8%
Polyclinic	4,383	3,904	—	6.0%	18.5%
Verosource	23,367	19,269	6,325	8.7%	12.4%
Mutuo	2,536	4,272	2,989	37%	15.7%

12. INVESTMENT IN EQUITY SECURITIES

The following table provides the carrying values of the Company's investments in financial assets measured at fair value through profit and loss as at December 31, 2025 and December 31, 2024. Financial asset investments include equity instruments that are measured at FVTPL in accordance with IFRS 9.

<i>(in thousands of Canadian dollars)</i>	Note	December 31, 2025	December 31, 2024
Investment in Doctorly	(a)	—	636
Investment in Fund holding X.AI Securities	(b)	4,607	2,880
Investment in Future Vault Securities		353	250
Investment in Abstractive Health		348	348
		5,308	4,114

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Notes to Consolidated Financial Statements

- a) In 2023, the Company invested \$410 (US\$300) to acquire 2,341 shares (representing 1.16% of the total outstanding shares) of doctorly GmbH ("doctorly"). An additional investment of \$77 (US\$54) was made in 2024, increasing the Company's total holdings to 3,557 shares. Doctorly was engaged in the development and commercialization of a next-generation Electronic Health Record (EHR) system, primarily serving healthcare clinics in continental Europe, with a focus on Germany, through a Software-as-a-Service (SaaS) model.

On March 27, 2025, Doctorly filed for insolvency and entered the preliminary stages of a formal sale process. In June 2025, Doctorly was acquired by Fred Adv, a German healthcare software provider, through a 100% share transaction. As a result of the acquisition, the Company received cash proceeds of \$12, which were recognized in the consolidated statement of loss and comprehensive loss during the quarter. The Company has assessed the fair value of its investment in Doctorly to be \$nil as at December 31, 2025 (December 31, 2024 – \$636), reflecting the divestment.

- b) On May 9, 2024, the Company invested in Think 1st Principles the fund with the opportunity to realize the long-term appreciation from investments in the securities of X.AI Corp. ("X.AI"). The Company invested \$2,752 (US\$2,000) to acquire an indirect interest in less than 1% total outstanding shares in X.AI, an American company working in the area of artificial intelligence. In March 2025, X.AI acquired X (formerly Twitter) in an all-stock deal, valuing X.AI at \$80 billion and X at \$33 billion. The fair value of the investment in X.AI therefore increased to \$4,607 as at December 31, 2025 (December 31, 2024 - \$2,880).

13. BUSINESS ACQUISITION

On April 1 2025, the Company acquired 100% of the shares of 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 \$86,097 was paid in cash. The non-cash components comprised of 35,412,075 Subordinate Voting Shares with a Fair Market Value (FMV) of \$52,026. The FMV of each share on April 1, 2025 was \$1.47. The non-cash component included a performance-based earnout of up to \$20,300 which has an estimated fair value of \$9,824 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 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 \$13,249 as at the acquisition date.

The following table summarizes the fair value of consideration paid on the acquisition date and assets and liabilities recognized as a result of the acquisition. In determining the preliminary purchase price allocation, the Company considered, among other factors, the intended future use of acquired assets, analysis of historical financial performance and estimates of future performance of Orion Health's business. The Company has finalized the purchase price allocation, including final working capital adjustments and the allocation of fair value among the identifiable net assets acquired. The allocation of the purchase price was completed within the twelve-month measurement period following the acquisition date.

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Notes to Consolidated Financial Statements

Purchase price allocation (<i>in thousands of Canadian dollars</i>)	Amount
Cash Consideration on closing	85,233
Issued shares (35,412,075 shares issued at \$1.47/share)	52,031
Contingent Consideration	23,073
	160,337
Cash and cash equivalents	14,195
Trade and other receivables	17,698
Contract and other assets	18,397
Deferred tax asset	645
Property, plant and equipment	646
Other long term assets	1,893
Customer relationships	42,885
Software intellectual property	41,132
Trademark	14,349
Right-of-use assets	4,059
Trade and other payables	(19,158)
Current income tax liabilities	(1,133)
Payroll and other employee liabilities	(4,109)
Current Portion of lease liabilities	(2,283)
Deferred revenue	(20,096)
Non-current liabilities	(4,092)
Goodwill	55,309
	160,337

Orion Health is included in the Healthcare Software operating segment (Note 32). During the year ended December 31, 2025, the Company incurred approximately \$2,633 in acquisition and related costs (year ended December 31, 2024 - \$nil). These costs are included in 'General and Administration' in the consolidated statement of loss and comprehensive loss. Since its acquisition on April 1, 2025, up to the end of the year ended December 31, 2025, Orion Health contributed revenue of \$71,146 and a net loss of \$2,511. Had the acquisition occurred on January 1 2025, management estimates that Orion Health would have contributed revenue of \$96,578 for the year ended December 31 ,2025 and net loss of \$1,927 for the same period. The goodwill recorded on acquisition is largely reflective of potential to achieve growth over time, supported by underlying growth and expansion of the services we provide and markets we operate in. The goodwill recognized is not deductible for income tax purposes.

14. CALL OPTIONS

- i) On December 1, 2023, the Company entered into a unanimous shareholders agreement in respect of Pentavere in connection with its acquisition of a controlling interest in Pentavere, granting the Company a 48-month call option to purchase all remaining securities of Pentavere from non-HEALWELL shareholders. The purchase price would be based on a fair market value formula that varies over time, including fixed minimums and a multiple of Pentavere's trailing six-month gross profit, or if sufficient time has passed the purchase price would instead be determined through a valuation process.

On July 14, 2025, the Company exercised its call option and acquired the remaining 49% of the issued and outstanding shares of Pentavere from the non-controlling shareholders for total consideration of \$14,937. The purchase price was settled through the issuance of 10,161,562 Subordinate Voting Shares at a fair value of \$1.47 per share based on the closing price per share on July 14, 2025. As a result of this transaction, Pentavere became a wholly owned subsidiary of the Company and the call option was derecognized (fair value of \$nil at December 31, 2025; December 31, 2024 – \$550). The transaction was accounted for as an equity transaction, as it represented an increase in ownership interest in an entity that the Company controls. Accordingly, the non-controlling interest and call option were derecognized, and the difference between the fair value of the shares issued and the carrying value of the non-controlling interest was recognized directly to deficit.

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- ii) The share purchase agreement between Mutuo and the Company included a call option that provided the Company with the right to acquire the remaining ownership interest in Mutuo. The call option was measured at fair value using the Black-Scholes option pricing model, with changes in fair value recognized in profit or loss.

On November 1, 2025, the Company disposed of its interest in Mutuo and the call option, and as a result, the call option was derecognized on that date. Accordingly, no call option asset was recognized as at December 31, 2025 (December 31, 2024 – \$1,500). During the year ended December 31, 2025, the change in fair value of \$1,500 (December 31, 2024 - \$nil) has been recognized in the consolidated statement of loss and comprehensive loss.

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Trade & Other Payables	14,335	4,334
Income Tax Payables	1,528	373
Accrued Liabilities	9,003	4,824
Deposits	27	74
	24,893	9,605

16. ACQUISITION RELATED PAYABLES

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Promissory notes	—	6,211
Holdback VeroSource	—	385
Holdback Mutuo	—	—
	—	6,596

In Q1 2025, the Company repaid a promissory note of \$3,576 related to the VeroSource acquisition, which was due on the six-month anniversary of closing. In Q3 2025, the Company entered into a settlement agreement with the vendor of BioPharma whereby a promissory note of \$2,879 was settled.

17. CONTINGENT CONSIDERATIONS

<i>(in thousands of Canadian dollars)</i>	Note	Total
Balance, December 31, 2024		4,495
Additions through business combination	13	23,073
Payments		(5,116)
Accretion		2,842
Changes in Fair Value		2,810
Balance, December 31, 2025		28,104
Current portion		1,087
Non-current portion		27,017
Balance, December 31, 2023		260
Additions through business combination		6,815
Payments		—
Accretion		—
Changes in Fair Value		(2,580)
Balance, December 31, 2024		4,495

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- i) A portion of the total consideration for the acquisition of Khure, up to \$5,600 payable in Subordinate Voting Shares of the Company, of which \$3,600 had previously been paid, was subject to an earn-out arrangement based on post-acquisition revenue targets. In July 2023, the timeline to achieve the final milestone was extended to December 31, 2025. During the year ended December 31, 2025, the Company settled the earn-out arrangement through the issuance of 1,900,287 Subordinate Voting Shares, with an aggregate deemed value of \$2,500. Following this settlement, no contingent consideration liability remains outstanding as at December 31, 2025 (December 31, 2024 – \$nil).
- ii) The deferred purchase/earn-out contingent consideration amount for VeroSource represents the fair value of earn-out payments contingent upon the earnings of the business for the four-year period after the acquisition closing date and up to 50% of the amount can be settled through Subordinate Voting Shares. The determination of the fair value of deferred purchase/earn-out is based on the profitability outcomes of VeroSource during the earnout period. During the year ended December 31, 2025, the Year 1 earn-out milestone was achieved, resulting in an earn-out payment of \$773, which was settled in the fourth quarter of 2025. Of this amount, \$386 was settled in cash and the remaining balance was settled through the issuance of 292,043 Subordinate Voting Shares. During the year ended December 31, 2025, the change in fair value of contingent consideration of \$585 (December 31 2025 - \$199) has been recognized in the consolidated statement of loss and comprehensive loss.
- iii) As part of the Orion Health acquisition, the Company recognized a contingent consideration/earn-out of \$23,073, which was recorded as part of the purchase price allocation and recognized against goodwill. This contingent consideration represents a three-year performance-based earn-out, with up to 50% of the amount payable, at the vendor's option, in shares based on the 10-day VWAP of the shares prior to the applicable payment date. The earn-out is contingent upon Orion Health's ability to achieve "Normalized EBITDA" (as defined in the purchase agreement) greater than \$16,500 for each 12-month period. In addition, the non-cash component includes 50% of the acquired tax losses utilized by Orion Health, with an estimated fair value of \$13,249 as at the acquisition date. During the year ended December 31, 2025, the change in fair value of contingent consideration of \$676 (December 31, 2024 – \$nil) has been recognized in the consolidated statement of loss and comprehensive loss.

18. LEASES

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

The estimated discount rate of the Company's leases was between 3% and 7.5%.

The Company's Right of use assets as at December 31, 2025, and December 31, 2024, are as follows:

<i>(in thousands of Canadian dollars)</i>	Note	Total
Cost		
Balance, December 31, 2024		12,676
Additions		1,466
Additions through business combination	13	4,059
Disposals and modifications		(3,928)
Effect of Translation		(130)
Balance, December 31, 2025		14,143
Balance, December 31, 2023		10,221
Additions		2,849
Transferred to lease receivable		(394)
Balance, December 31, 2024		12,676

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Notes to Consolidated Financial Statements

Accumulated depreciation	
Balance, December 31, 2024	8,554
Depreciation from continuing operations	1,958
Depreciation from discontinued operations	412
Disposals and modifications	(832)
Effect of Translation	(121)
Balance, December 31, 2025	9,971
Balance, December 31, 2023	7,019
Depreciation	685
Impairment	850
Balance, December 31, 2024	8,554
Net book value as at:	
December 31, 2025	4,172
December 31, 2024	4,122

In Q2 2024, the Company identified impairment indicators in its head lease premise. The Company had entered into a 12.3 year lease agreement for the head office, but decided to vacate the premise after 2.3 years and sublet it to a tenant. The rent received from the tenant was lower than the rent the corporation was paying for the head lease which led to recoverable amount of the right of use asset to fall below items carrying value.

The Company's lease liability and lease receivable as at December 31, 2025, and December 31, 2024, are as follows:

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Lease liability – current	2,287	946
Lease liability – non-current	3,379	5,237
Total Lease liability	5,666	6,183

Lease Liability

The movement in the lease liability as at December 31, 2025, and December 31, 2024 is broken out as follows:

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Balance, Beginning	6,183	5,274
Lease modification	597	—
New Leases	1,380	—
Business combination	5,066	3,159
Interest expense from continuing operations	304	167
Interest expense from discontinued operations	209	19
Termination	(201)	(1,268)
Effect of Translation	(115)	—
Lease cash payments	(3,456)	(1,168)
Disposal of subsidiary and clinics	(4,301)	—
Balance, Ending	5,666	6,183

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The maturity analysis of lease liabilities at December 31, 2025, is as follows:

<i>(in thousands of Canadian dollars)</i>	Minimum Lease Payment Due			Total
	< 1 year	2 – 5 years	>5 years	
Lease payments	2,583	3,079	545	6,207
Finance charges	(267)	(236)	(37)	(540)
Lease liabilities	2,315	2,843	508	5,666

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

<i>(in thousands of Canadian dollars)</i>	Minimum Lease Payment Due			Total
	< 1 year	2 – 5 years	>5 years	
Lease payments	1,230	3,983	1,953	7,166
Finance charges	(284)	(652)	(138)	(1,074)
Lease liabilities	946	3,331	1,906	6,183

19. DEBENTURE PAYABLE

<i>(in thousands of Canadian dollars)</i>	Note	December 31, 2025	December 31, 2024
Balance, Beginning		6,691	6,217
2025 Debenture issuance		17,380	—
Accrued interest		4,186	1,190
Coupon Payment		(2,250)	—
Converted into shares		(5,369)	(716)
Balance, Ending		20,638	6,691
Liability component		20,638	6,691
Reclass to Debenture payable to WELL Health Technologies Corp		—	(2,995)
Reclass to Debenture payable to Management and Board member		(483)	(726)
Total		20,155	2,970
Current portion		(18,520)	—
Non-current portion		1,635	2,970

The debentures issued on October 1, 2023 (2023 Debentures) bear interest at a rate of 10% per annum and mature 5 years from their date of issuance. The principal and interest outstanding under the 2023 Debentures is convertible into Subordinate Voting Shares at \$0.20/share, and for every dollar of debentures purchased, subscribers also received 5 warrants for Subordinate Voting Shares exercisable at \$0.20/share.

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

The Company receives a fixed amount of cash in exchange for issuing a predetermined number of equity shares with each warrant corresponding to one share. Warrants associated with the 2023 Debentures are classified as equity. The 2023 Debentures have 2 features – the debenture itself and the conversion feature. The fair value of the liability component, at inception was calculated using a market interest rate for an equivalent instrument without a conversion option. The discount rate applied was 20.5%. The 2023 Debentures are classified as a financial liability whereas the conversion feature is classified as equity.

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In connection with the Orion Health acquisition, HEALWELL completed a series of financing transactions comprising a \$30,000 convertible debenture offering, a \$25,500 equity offering, and a \$50,000 senior credit facility. The equity financing offering was completed on January 21, 2025 and the convertible debenture offering was completed on January 28, 2025. In the convertible debenture offering, the Company initially issued 30,000 subscription receipts with an aggregate principal amount of \$30,000 at a discounted purchase price of \$910 per receipt. Each receipt entitled the holder to \$1,000 principal amount of convertible debentures (the "2025 Debentures"), bearing interest at 10% annually, payable semi-annually on June 30 and December 31, starting from March 31, 2025, when the 2025 Debentures were issued following the conversion of the subscription receipts. The 2025 Debentures have a contractual maturity date of December 31, 2029.

The principal amount of the 2025 Debentures is convertible into Subordinate Voting Shares at a fixed conversion price of \$2.40 per share, subject to standard anti-dilution adjustments. Holders may convert at any time prior to maturity, and accrued interest is payable in cash upon conversion. The Company may redeem the 2025 Debentures, in whole or in part, at 110% of principal plus accrued interest, at any time between December 31, 2027 and December 31, 2029. In the event of a "Change of Control", as defined in the debenture indenture, the Company is required to repurchase the 2025 Debentures.

Additionally, the Company holds a mandatory conversion right whereby, if the 10-day VWAP of the Subordinate Voting Shares exceeds \$3.85 at any time after 10 trading days following four months and one day from the issuance date, it may require holders to convert their 2025 Debentures into Subordinate Voting Shares at the \$2.40 conversion price, with accrued and unpaid interest payable in cash.

The 2025 Debentures are a hybrid financial instrument comprising liability, derivative liability, and equity components. On initial recognition, the transaction price was allocated to the liability and derivative liability components based on their standalone fair values, with any residual assigned to equity. Post-recognition, the liability is measured at amortized cost, the derivative liability at fair value through profit or loss, and the equity component is not subsequently remeasured. As at December 31, 2025, the fair value of the derivative liability was \$3,115.

Classification of Debenture

The \$30,000 convertible debenture has a cash settlement maturity date of December 31, 2029. The FMV of the debenture at December 31, 2025 is \$18,520. The Holder of the debenture has the ability to convert the debenture into Subordinating Voting Shares at any time after issuance. Given this conversion right by the holder results in settlement by the transfer of the entity's own equity instruments at any time after issuance, the debenture and related derivative liability (\$3,115) is classified as a current liability on the consolidated statement of financial position.

20. LOANS

As at December 31, 2025 the Company was in compliance with all covenants in respect of its loan facilities.

<i>(in thousands of Canadian dollars)</i>	FEDDEV LOAN	BDC LOAN	SCOTIA LOAN	Total
Balance as at December 31, 2024	789	1,003	—	1,792
Acquired through business combination	—	—	—	—
Drawdowns	106	—	49,500	49,606
Deferred financing cost	—	—	(667)	(667)
Accretion	21	209	—	230
Repayment and Settlements	—	(558)	(750)	(1,308)
Amortization of financing fees	—	—	168	168
Balance as at December 31, 2025	916	654	48,251	49,821
Current portion	153	120	1,000	1,273
Non-current portion	763	534	47,251	48,548

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	FEDDEV LOAN	BDC LOAN	SCOTIA LOAN	Total
Balance as at December 31, 2023	744	804	—	1,548
Acquired through business combination	—	239	—	239
Drawdowns	—	—	—	—
Deferred financing cost	—	—	—	—
Accretion	45	—	—	45
Repayment and Settlements	—	(40)	—	(40)
Amortization of financing fees	—	—	—	—
Balance as at December 31, 2024	789	1,003	—	1,792

- i) Pentavere has a loan payable from the Business Development Bank of Canada (“BDC”) bearing interest at the lender's floating base rate plus 4.4% per annum, payable in monthly interest-only installments, with principal being due in full on February 15, 2027. The loan is secured by a general security agreement over Pentavere’s assets, assignment of directors' life insurance policies and postponement of claims from related parties. Pentavere also has an interest-free loan payable from the Federal Economic Development Agency (FEDDEV), payable in monthly installments. The loan will be fully repaid by December 15, 2030. Furthermore, Pentavere has access to a line of credit from CIBC, that was undrawn as at December 31, 2025. Pentavere has a Debt-to-Equity covenant that is tested annually and a liquidity covenant that is tested quarterly with BDC. Pentavere was in compliance with both covenants on December 31, 2025.
- ii) On March 5, 2025, the Company entered into a credit agreement with a syndicate of lenders led by The Bank of Nova Scotia and including the Royal Bank of Canada, establishing senior secured credit facilities that consist of a \$30,000 revolving credit facility (including a \$5,000 swingline tranche), a \$20,000 non-revolving term facility and a \$1,000 credit card facility. Proceeds were used to finance the Orion Health acquisition, refinance existing debt, and fund general corporate purposes. The credit facilities mature on March 4, 2028.

The term facility is repayable in quarterly principal installments of \$250, with mandatory prepayments under specified conditions. Interest is calculated based on a tiered pricing grid tied to the Company’s leverage ratio, with rates based on Prime, US Base Rate, CORRA (Canadian Overnight Repo Rate Average), or SOFR (Secured Overnight Financing Rate). The facilities are secured by a first-ranking charge over all present and after-acquired property of Orion Health, its parent company (a wholly-owned subsidiary of HEALWELL) and its direct and indirect subsidiaries. The agreement includes an accordion feature allowing for an increase in the revolving facility by up to \$25,000, subject to lender consent.

The Company is subject to customary covenants, including:

- A Total Leverage Ratio not exceeding 4:1 through December 31, 2025
- A Fixed Charge Coverage Ratio of at least 1.15:1.

The Company was in compliance with both covenants on December 31, 2025.

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21. SHARE CAPITAL

(a) Authorized

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.

(b) Issued :

<i>(in thousands of Canadian dollars, except for Shares)</i>	Class A Subordinate Voting Shares		Class B Multiple Voting Shares
	No. of Shares	Amount	
Balance, December 31, 2024	168,829,039	140,084	30,800,000
Issuance of Class A Subordinate Voting Shares against warrants exercised	21,832,687	4,935	
Share issued in exchange for achieving earn-out milestones ¹	2,192,330	2,886	
Issuance of Class A Subordinate Voting Shares for acquisition of Orion acquisition	35,412,075	52,030	
Issuance of Class A Subordinate Voting Shares for non-controlling interest of Pentavere	10,161,562	14,936	
Issuance of Subordinate Voting Shares for Top-up consideration for the acquisition of Biopharma	1,175,171	1,845	
Share issuance, net of share issuance costs	12,737,500	23,595	
Issuance of Class A Subordinate Voting Shares against conversion of debentures	38,499,775	6,647	
Issuance of Class A Subordinate Voting Shares against RSU, PSU & DSU and options	2,482,378	3,468	
Balance, December 31, 2025	293,322,517	250,426	30,800,000

	Class A Subordinate Voting Shares		Class B Multiple Voting Shares
	No. of Shares	Amount	
Balance, December 31, 2023	87,986,790	67,368	30,800,000
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

¹ The Company settled the final earn-out arrangement during the three-month period ended September 30, 2025, through the issuance of 1,900,287 Subordinate Voting Shares with an aggregate deemed value of \$2,500, based on the achievement of post-acquisition revenue targets.

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Warrants

The following table summarizes grants of share warrants issued as broker compensation for equity bought deal financings, debenture warrants as part of October 1, 2023 debenture financing and the warrants issued as part of December 2023, May 2024 and January 2025 bought deal equity financings:

Share Warrant Type & Date	Share Warrants Outstanding as at December 31, 2024	Additions during the period	Exercise Price	Fair Value	Exercised	Net Outstanding as at December 31, 2025
Broker Warrants						
December 22, 2023	678,563	—	0.80	0.49	226,187	452,376
May 22, 2024	586,677	—	1.35	1.10	—	586,677
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	321,500	3,294,650
May 22, 2024	7,120,000	—	1.80	1.01	—	7,120,000
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	21,285,000	6,705,000

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:

	2025	2024
Risk free rate	4.05%	4.15%
Expected life (years)	3	2
Volatility	124.01%	121.51%
Underlying stock price	\$1.72 - \$1.86	\$1.65
Strike price	\$2.08 - \$2.40	\$1.35 - \$1.80

22. SHARE BASED PAYMENT ARRANGEMENTS

Fair value of stock options granted:

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

	2025	2024
Risk free rate	2.93%	4.15%
Expected life (years)	3.85	4-5
Volatility	212.65%	124.01%
Underlying stock price	\$1.38	\$0.55 - \$0.75
Strike price	\$1.42	\$0.69 - \$0.75

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Fair value of modification of stock options:

The fair value of each modification stock option granted was estimated at the time of modification using the Black-Scholes option pricing model. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a modification of call or a put option. There is no modification that were made during the year ended December 31, 2025.

(a) Share Based Payments

December 31, 2025			
Exercise price	Number of share options outstanding	Number of share options exercisable	Weighted average remaining contractual life (years)
0.69	1,590	1,181	2.75
1.36	81	81	1.26
1.92	100	100	3.67
2.39	820	273	3.33
1.42	100	—	3.25
	2,691	1,635	

December 31, 2024			
Exercise price	Number of share options outstanding	Number of share options exercisable	Weighted average remaining contractual life (years)
0.69	1,595	984	4.25
1.36	81	81	1.3
1.92	100	100	1.92
2.39	820	—	2.39
	2,596	1,165	3.57

<i>(in thousands, except average exercise price)</i>	Number of options	Weighted average exercise price
Options Outstanding, December 31, 2024	2,597	1.30
Options Granted	100	1.42
Options Forfeited	—	—
Options Settled	(6)	0.69
Options Outstanding, December 31, 2025	2,691	1.31
Options Outstanding – December 31, 2023	2,259	0.76
Options Granted	920	2.34
Options Forfeited	(196)	3.1
Options Settled	(386)	3
Options Outstanding – December 31 2024	2,597	1.30

(b) DSUs, RSUs and PSUs

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

HEALWELL AI INC.

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The Company also grants PSUs to key employees as part of their long-term incentive compensation. The fair value of the PSUs is recorded as an expense at the grant date based on assessing the performance criteria associated with the PSUs and adjusted quarterly depending on likely achievement of the performance criteria associated with the PSUs. To date, all PSUs that have been awarded by the Company have been equity settled.

Net outstanding Share based payments by type December 31, 2025	No. of shares	Vested
PSUs		
Grants in 2023	750,002	—
Grants in 2024	287,501	—
Grants in 2025	4,744,730	51,047
Total PSUs	5,782,233	51,047
RSUs		
Grants in 2023	971,667	565,556
Grants in 2024	1,626,016	861,065
Grants in 2025	5,174,783	601,462
Total RSUs	7,772,466	2,028,083
DSUs		
Grants in 2024	43,947	43,947
Total DSUs	43,947	43,947
Total No. of Shares	13,598,646	2,123,077

23. OPERATING EXPENSE BY NATURE

<i>(in thousands of Canadian dollars)</i>	Years ended	
	December 31, 2025	December 31, 2024
Salaries and other short-term employee benefits	37,315	9,762
Research and development (non- salary) costs	541	1,214
Sales and marketing (non- salary) costs	3,829	185
Office expenses	6,155	2,788
Insurance	1,344	617
Technology and communication expenses	1,917	1,691
Stock compensation	12,994	7,141
Public company expenses	1,780	7,958
Depreciation of property equipment	637	184
Depreciation of ROU assets	1,958	156
Amortization of intangible assets	14,310	5,733
Impairment of Goodwill and Intangibles	—	5,385
Travelling expenses	994	700
Acquisition and other related expenses	3,392	2,462
Others	(349)	679
Expenses from continuing operations	86,817	46,655

HEALWELL AI INC.

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24. FINANCING EXPENSES

<i>(in thousands of Canadian dollars)</i>	Years ended	
	December 31, 2025	December 31, 2024
Financing expenses consist of the following:		
Interest on lease liabilities	304	58
Interest on lease receivable	—	(2)
Interest income	(572)	(538)
Interest on debentures payables	3,917	951
Interest on related party loan	643	—
Interest accretion on contingent liabilities	2,842	—
Interest, bank charges and fees	2,457	1,358
Financing from continuing operations	9,591	1,827

25. INCOME TAXES

Income taxes consist of the following:

<i>(in thousands of Canadian dollars)</i>	2025	2024
Continuing operation		
Current income tax expense	929	357
Deferred tax recovery	(1,591)	(1,213)
	(662)	(856)
Discontinued operation		
Current income tax expense	(141)	5
Deferred tax recovery	(613)	—
	(754)	5
Total	(1,416)	(851)

Reported income tax recovery differs from the amount computed by applying the combined Canadian federal and provincial income tax rates to loss before income tax due to the following:

<i>(in thousands of Canadian dollars)</i>	2025	2024
Continuing operation		
Loss before income tax	(39,780)	(28,687)
Effective income tax rate	26.5%	26.5%
Expected income tax recovery	(10,542)	(7,602)
Permanent difference	1,380	3,262
Stock based compensation	3,443	—
Adjustments for prior periods and other	1,029	—
Intangibles	—	(9,790)
Deferred tax assets not recognized	4,048	17,682
Others	(20)	(4,408)
	(662)	(856)

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Discontinued operation		
Income before income tax	(9,298)	20
Effective income tax rate	26.5%	26.5%
Expected income tax expense	(2,464)	5
Permanent difference	2,627	—
Adjustments for prior periods and other	(1,893)	—
Deferred tax assets not recognized	952	—
Others	24	—
	(754)	5
Total	(1,416)	(851)

	December 31,	December 31,
<i>(in thousands of Canadian dollars)</i>	2025	2024
Deferred tax assets consist of:		
Leases	320	148
Property and equipment	—	848
Security issuance expenses	—	634
Non-capital loss carry forward	78,626	17,986
Net-capital loss carried forward	—	9
SR&ED expenditure pool & ITC's	3,659	12,261
Financing fees	508	—
Restricted interest and financing expenses	1,861	—
Bad debt provision	845	—
Others	1,016	3
	86,835	31,889
Deferred tax liabilities consist of:		
Property and equipment	(6)	—
Intangibles	(30,169)	(7,656)
Investment in Equity Securities	(195)	—
	(30,370)	(7,656)
Deferred tax assets not recognized (valuation allowance)	(59,493)	(30,744)
Net deferred income tax asset (liabilities)	(3,028)	(6,511)

Included in deferred tax asset and liabilities is \$645 (December 31, 2024 - \$5,700) that arose from business combination. Deferred tax assets not recognized relate to non-capital loss and deferred financing costs of one of the legal entities where it is not certain that deferred tax asset on these tax attributes will be realized based on future profits generated by that entity.

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

	2025	2024
2035	94	—
2036	5	—
2037	86	—
2038	452	—
2039	1,677	—
2040	4,726	386
2041	13,285	13,337
2042	18,262	18,409
2043	14,060	23,425
2044	4,009	12,259
2045	7,445	—
Unlimited	219,738	—
	283,839	67,816

The company also has a Scientific Research & Experimental Development ("SR&ED") expenditure pool of \$7,492 (December 31, 2024, of \$12,261) which can be carried forward for future years and which do not expire.

26. NET CHANGE IN NON-CASH OPERATING ITEMS

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

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Accounts receivable	3,133	1,405
Other assets	(4,454)	(874)
Related party receivables	(1,318)	—
Accounts payable and accrued liabilities	(9,111)	(1,652)
Deferred revenue	(5,595)	(1,385)
Unbilled Receivables	170	(326)
Total changes in non-cash operating items	(17,175)	(2,832)

27. KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the members of the executive team. The remuneration of these individuals was as follows:

<i>(in thousands of Canadian dollars)</i>	December 31, 2025	December 31, 2024
Salary, wages and benefits	2,099	1,109
Management fee	—	292
Share-based compensation	7,676	1,429
	9,775	2,830

HEALWELL AI INC.

Notes to Consolidated Financial Statements

28. EARNINGS PER SHARE

	Years ended	
	December 31, 2025	December 31, 2024
<i>(in thousands of Canadian dollars, except per share amounts and weighted average number)</i>		
Net loss attributable to Company shareholders:		
Continuing Operations	(38,565)	(22,770)
Discontinued Operations	(8,544)	(3,523)
	(47,109)	(26,293)
Weighted average number of Subordinate Voting Shares	250,549,271	135,561,175
Basic and diluted loss per share-Continuing operations	(0.15)	(0.17)
Basic and diluted loss per share-Discontinued operations	(0.03)	(0.03)
Basic and diluted loss per share	(0.19)	(0.19)

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to various risks through its financial instruments. Management identifies, evaluates, and monitors these risks through established policies approved by the Board of Directors. The following analysis provides a summary of the Company's exposure to and concentrations of risk at December 31, 2025:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Company's main credit risks relate to its accounts receivable, lease receivable 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 lease receivable are also well diversified among a range of corporations, individual patients and tenants.

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

Receivables from Government Customers

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

Receivables from Non-Government Customers

(i) Clinical research and patient services: Clinical research and patient services receivables from non-government customers arise from the provision of health services that are not covered by the provincial governments and includes amounts due from the Workplace Safety and Insurance Board, individual patients, corporate clients and private insurers. The Company's historical loss percentage for these receivables is low. This segment has been divested, and accordingly, the Company has no ongoing exposure to new receivables or credit risk associated with this business line going forward.

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

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Receivables from Subtenants

The Quit Clinics Inc. sublets space to healthcare suppliers such as medical testing laboratories, pharmacies, physiotherapists, chiropractic clinics, wellness providers and other similar or related services. These receivables have the highest risk of default for the Company as the tenant is typically an individual or small business; however, the credit losses on receivables from subtenants have historically been low. This segment has been divested, and accordingly, the Company has no ongoing exposure to new receivables or credit risk associated with this business line going forward.

b) 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).

The Company's exposure to foreign currency risk at the reporting date was as follows (all amounts are denominated in CAD):

	NZD	AUD	GBP	USD	EUR	AED
<i>(in thousands of Canadian dollars)</i>	CAD	CAD	CAD	CAD	CAD	CAD
As at December 31, 2025						
Cash and cash equivalents	1,008	720	1,773	1,518	855	68
Trade receivables	3,754	69	1,296	8,362	294	—
Trade payables	(537)	(252)	(97)	(4,306)	(294)	(9)
Net exposure	4,225	537	2,972	5,574	855	59

The following table summarizes the sensitivity of profit and loss and equity with regards to the Company's financial assets and financial liabilities affected by Foreign Currency/CAD exchange rate with all other aspects being equal. It assumes a +/-10% change in the CAD to the currency exchange rate for the period ended December 31, 2025 (December 31, 2024: 10%).

	NZD	AUD	GBP	USD	EUR	AED
<i>(in thousands of Canadian dollars)</i>	CAD	CAD	CAD	CAD	CAD	CAD
As at December 31, 2025						
10% strengthening in CAD	3,841	488	2,702	5,067	777	54
10% weakening in CAD	4,551	558	3,303	6,193	949	66

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. The Company is exposed to interest rate risk with respect to its credit facilities. At December 31, 2025 the amounts outstanding are as follows: \$48,251 (December 31, 2024 - \$nil) from the Scotia credit facility, \$916 (December 31, 2024 - \$789) from FedDev and \$654 (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 year ended December 31, 2025, would have increased/decreased by \$249 (December 31, 2024 - \$5).

c) 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 based on undiscounted cash flows as at December 31, 2025.

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<i>(in thousands of Canadian dollars)</i>	December 31, 2025		
	< 1 year	2 – 5 years	Over 5 years
Lease payments	2,583	3,079	545
Accounts payable and accrued liabilities	24,893	—	—
Acquisitions related payables	—	—	—
Loan payable	1,332	49,278	—
Related party loan	4,303	6,183	—
Derivative liability	3,115	—	—
Debenture payable	—	32,350	—
Liability for contingent consideration	54	48,236	—
	36,280	139,126	545

The Company's liquidity position has strengthened as of the year ended December 31, 2025 as the Company has cash of \$18,634 as at December 31, 2025 (December 31, 2024 - \$9,413).

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 December 31, 2025.

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

As at Asset/(Liability) (in thousands of Canadian dollars)	Level 1	Level 2	Level 3	December 31, 2025 Total
Call option and warrants	—	—	—	—
Investments in equity securities	—	—	5,308	5,308
Investment in joint venture	—	—	3,000	3,000
Loan payable	—	(48,548)	—	(48,548)
Derivative liability	—	—	(3,115)	(3,115)
Contingent consideration	—	—	(28,104)	(28,104)

As at Asset/(Liability) (in thousands of Canadian dollars)	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
Loan payable	—	(1,792)	—	(1,792)
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
Investment in joint venture	Investment in the joint venture is measured at fair value through OCI.
Contingent consideration	Discounted cash flow method based upon the probability adjusted revenue of Khure, BioPharma and VeroSource, and the Company share price.

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Loan payable	The fair value was determined using a discounted cash flow model based on the loan's contractual cash flows discounted at the effective interest rate, which reflects observable market interest rates for similar instruments with comparable terms and credit risk at initial recognition.
Call options	Black Scholes method, interest rates, volatility, dividend yield, Monte Carlo simulation, business plan parameters.
Derivative liability	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.

There were no transfers of assets or liabilities as at December 31, 2025 (December 31, 2024 - nil) between any levels within the fair value hierarchy.

30. COMMITMENTS

The Company has entered into cloud computing service arrangements with Amazon Web Services ("AWS") that include minimum spend commitments over a multi-year period. These commitments are non-cancellable and relate to the use of cloud infrastructure and related services to support the Company's operations. As at December 31, 2025, the Company's share of the remaining AWS minimum commitment is approximately \$41,998, based on internal allocations of the total contractual commitment.

The expected timing of payments related to the Company's AWS commitment is as follows:

<i>(in thousands of Canadian dollars)</i>	CAD
Less than 1 year	7,671
1-5 years	34,327
Total	41,998

31. CAPITAL MANAGEMENT

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

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

32. SEGMENT REPORTING

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

As a result of the discontinued operations (Note 7), the Company now has two reportable segments (1) AI and Data sciences and (2) Healthcare Software. The Company reviews on a regular basis, revenue, and gross profit, to assess the performance of the operating segments, and effective November 1, 2024, the Company revised its segment profit measure to also include Earnings before interest, tax, depreciation and amortization (EBITDA) to align with the internal metric that is provided to the chief operating decision-maker from that date forward. The previous year has been restated to reflect the current composition of reportable segments.

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	Year Ended December 31, 2025				
<i>(in thousands of Canadian dollars)</i>	AI and Data Sciences	Healthcare Software	Operating Segment Total	Healwell Corporate	Total
Subscription, Support and Maintenance	2,574	64,193	66,767	—	66,767
Professional Services	7,576	28,095	35,671	—	35,671
Software License	—	1,365	1,365	—	1,365
Clinical and other revenue	—	—	—	—	—
Total revenue	10,150	93,653	103,803	—	103,803
Cost of Revenue	3,995	42,517	46,512	—	46,512
Gross Profit	6,155	51,136	57,291	—	57,291
General and administrative	2,916	15,744	18,660	12,965	31,625
Research and development	2,312	14,105	16,417	—	16,417
Sales and marketing	1,242	7,551	8,793	83	8,876
Other costs	219	9,996	10,215	19,684	29,899
Total Operating Expenses	6,689	47,396	54,085	32,732	86,817
EBITDA from continuing operations	53	10,977	11,030	(26,272)	(15,242)
Total Assets	4,276	188,155	192,431	92,557	284,988

	Year Ended December 31, 2024				
<i>(in thousands of Canadian dollars)</i>	AI and Data Sciences	Healthcare Software	Operating Segment Total	Healwell Corporate	Total
Subscription, Support and Maintenance	634	10,107	10,741	—	10,741
Professional Services	3,976	4,994	8,970	—	8,970
Software License	—	—	—	—	—
Clinical and other revenue	—	—	—	—	—
Total revenue	4,610	15,101	19,711	—	19,711
Cost of Revenue	1,919	6,967	8,886	3	8,889
Gross Profit	2,691	8,134	10,825	(3)	10,822
General and administrative	1,145	3,817	4,962	15,620	20,582
Research and development	1,603	4,190	5,793	2	5,795
Sales and marketing	859	817	1,676	3	1,679
Other costs	264	94	358	18,241	18,599
Total Operating Expenses	3,871	8,918	12,789	33,866	46,655
EBITDA from continuing operations	(1,010)	(711)	(1,721)	(15,563)	(17,284)
Total Assets	3,932	5,635	9,567	99,354	108,921

A reconciliation of net loss for the period to EBITDA for continuing operations is as follows:

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<i>(in thousands of Canadian dollars)</i>	Years ended	
	December 31, 2025	December 31, 2024
EBITDA for continuing operations	(15,242)	(17,284)
Depreciation & amortization	(14,947)	(5,917)
Interest and financing expenses	(9,591)	(1,827)
Income taxes expense	662	1,072
Net loss for the period for continuing operations	(39,118)	(23,956)

Geographical Regions

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2025		
	Canada	Australia & New Zealand	Total
Revenue	18,910	84,893	103,803
Total Assets	100,439	184,549	284,988

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2024		
	Canada	Australia & New Zealand	Total
Revenue	9,143	10,568	19,711
Total Assets	121,805	3,730	125,535

33. RECLASSIFICATION OF PRIOR PERIOD AMOUNTS

In Q2 2025, Management disaggregated the reported revenue streams and reclassified specific cost categories to provide more insight into the different products and services of the Company, and to enhance the presentation and understandability of the Company's cost structure within the consolidated statement of comprehensive income.

In Q3 2025, the Company classified its clinical research and patient services segment as discontinued operations. As a result, the consolidated statement of comprehensive income for the current period reflects results from continuing operations only, and accordingly, certain comparative amounts for the year ended December 31, 2024 presented on the face of the statement may not be directly comparable to previously reported totals. For further details on discontinued operations, refer to Note 7.

These reclassifications had no impact on previously reported net loss. The table below shows the changes made for the full year of 2024:

	FY - 2024		
	(\$ in thousands)		
	Reported	Revised	Change \$
Continuing operations			
Revenue			
Subscription, support and maintenance	-	10,742	10,742
Professional Services	-	8,970	8,970
Software License	-	-	-
Clinical and other revenue	-	19,260	19,260
Total revenue (1)	38,972	38,972	-
Cost of Revenue (2)	21,657	21,657	-
Gross profit	17,315	17,315	-
Operating Expenses			
General and administrative (3)	42,694	28,257	14,437
Research and development (4)	5,795	5,795	-
Sales and marketing (5)	2,381	2,381	-
Stock compensation (3)	-	7,141	(7,141)
Amortization of intangible assets (3)	-	6,215	(6,215)
Depreciation of property equipment (3)	-	396	(396)
Depreciation of ROU assets (3)	-	685	(685)
Impairment charges (3)	5,385	5,385	-
Operating expenses	56,255	56,255	-
Loss before other expense (income) and taxes	(38,940)	(38,940)	-
Financing expenses	1,972	1,972	-
Other Income	-	-	-
Effect of foreign exchange rate	-	-	-
Changes in fair value of call options	950	950	-
Changes in fair value of contingent consideration	(2,580)	(2,580)	-
Changes in fair value of investments	(277)	(277)	-
Loss on settlement of shares-contingent consideration	-	-	-
Loss on fixed assets write off	228	228	-
Debt forgiveness	(7,863)	(7,863)	-
Liability extinguishment	(3,088)	(3,088)	-
Impairment of investment in an associate	-	-	-
	(10,658)	(10,658)	-
Loss before taxes	(28,282)	(28,282)	-
Income tax recovery	(856)	(856)	-
Net loss for the period on continuing operations, net of tax	(27,426)	(27,426)	-
Net profit on discontinued operations, net of tax	(54)	(54)	-
Net loss for the period	(27,480)	(27,480)	-

- (1) In 2024 the Company presented a consolidated view of all revenue streams. In 2025, this view has been disaggregated to present each revenue stream as a distinct line item on the profit and loss statement.
- (2) In 2024 the Company reported quarterly amortization of intangibles within cost of revenue, which has now been re-classified to a separate line item under operating expenses in 2025 to align with the Company's updated presentation policy. Furthermore, employee costs directly related to revenue-generating activities were reclassified from operating expenses to cost of sales in 2025.
- (3) In 2024, the Company previously recorded stock-based compensation, Amortization of Intangible assets, Depreciation of property and equipment, depreciation of ROU, and impairment charges within general and administrative expenses. In 2025, these items were reclassified as separate line items within operating expenses.
- (4) In 2024, the reported research and development costs included the amortization of intangible assets. In 2025, these costs were reclassified to a separate line item within operating expenses. Furthermore, in 2025, the employee costs were further analyzed and re-classified to their appropriate function.
- (5) In 2024, the reported sales and marketing costs included the amortization of intangible assets. In 2025, these costs were reclassified to a separate line item within operating expenses. Furthermore, in 2025, the employee costs were further analyzed and re-classified to their appropriate function.

34. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through to March 18, 2026 and determined that there were no events requiring adjustment to or disclosure in these financial statements.