

# HEALWELL AI

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2026

Expressed in thousands of Canadian dollars

(Unaudited)

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# HEALWELL AI INC.

## Condensed Interim Consolidated Statement of Financial Position

| <i>Unaudited (in thousands of Canadian dollars)</i> | Note | March 31,<br>2026 | December 31,<br>2025 |
|---|------|-------------------|----------------------|
| <b>Assets</b>                                       |      |                   |                      |
| <b>Current assets</b>                               |      |                   |                      |
| Cash and cash equivalents                           |      | 21,946            | 18,634               |
| Accounts receivable                                 | 4    | 14,749            | 21,285               |
| Contract assets                                     | 5    | 17,196            | 16,632               |
| Related party receivable                            | 7    | 606               | 1,317                |
| Prepaid and other assets                            | 6    | 5,892             | 6,805                |
|   |      | <b>60,389</b>     | <b>64,673</b>        |
| <b>Non-current assets</b>                           |      |                   |                      |
| Property, plant and equipment                       |      | 1,036             | 910                  |
| Contract assets                                     | 5    | 263               | 263                  |
| Intangible assets                                   | 8    | 105,142           | 106,922              |
| Right-of-use assets                                 | 14   | 4,032             | 4,172                |
| Goodwill  | 9    | 97,985            | 98,546               |
| Investment in equity securities and joint venture   | 10   | 8,268             | 8,308                |
| Deferred tax asset                                  |      | 829               | 480                  |
| Other assets  | 6    | 408               | 714                  |
| <b>TOTAL ASSETS</b>                                 |      | <b>278,352</b>    | <b>284,988</b>       |
| <b>Liabilities</b>                                  |      |                   |                      |
| <b>Current liabilities</b>                          |      |                   |                      |
| Accounts payable and accrued liabilities            | 12   | 26,864            | 24,893               |
| Contingent consideration                            | 13   | 909               | 1,087                |
| Contract liabilities                                | 5    | 10,454            | 15,295               |
| Related party loan-current                          | 7    | 4,756             | 4,303                |
| Lease liability                                     | 14   | 1,760             | 2,287                |
| Debenture payable                                   | 15   | 19,683            | 18,520               |
| Loan payable  | 16   | 1,789             | 1,273                |
| Derivative liability                                | 15   | 1,540             | 3,115                |
|   |      | <b>67,755</b>     | <b>70,773</b>        |
| <b>Long-term liabilities</b>                        |      |                   |                      |
| Related party loan                                  | 7    | 6,307             | 6,183                |
| Deferred tax liabilities                            |      | 3,427             | 3,509                |
| Contingent consideration                            | 13   | 26,950            | 27,017               |
| Lease liability                                     | 14   | 3,277             | 3,379                |
| Debentures payable                                  | 15   | 1,390             | 1,635                |
| Loan payable  | 16   | 47,768            | 48,548               |
| <b>TOTAL LIABILITIES</b>                            |      | <b>156,874</b>    | <b>161,044</b>       |
| <b>Shareholders' equity</b>                         |      |                   |                      |
| Share capital                                       | 17   | 250,860           | 250,426              |
| Convertible debenture options reserve               |      | 394               | 462                  |
| Share based payments reserve                        |      | 29,675            | 27,728               |
| Accumulated other comprehensive loss                |      | (658)             | (2,726)              |
| Deficit   |      | (158,793)         | (151,946)            |
| <b>TOTAL EQUITY</b>                                 |      | <b>121,478</b>    | <b>123,944</b>       |
| <b>TOTAL LIABILITIES AND EQUITY</b>                 |      | <b>278,352</b>    | <b>284,988</b>       |

May 7, 2026.

They were signed on behalf of the Company by:

“Alexander Dobranowski” – President/Director

“Ian Kidson” – Director

# HEALWELL AI INC.

## Condensed Interim Consolidated Statement of Loss and Comprehensive Loss

| <i>Unaudited (in thousands of Canadian dollars, except per share amounts)</i> | Note | Three months ended |                   |
|---|------|--------------------|-------------------|
|   |      | March 31,<br>2026  | March 31,<br>2025 |
| <b>Revenue</b>  |      |                    |                   |
| Subscription, Support and Maintenance   |      | 21,374             | 3,604             |
| Professional Services   |      | 11,522             | 3,963             |
| Software License  |      | 311                | 417               |
| <b>Total revenue</b>  |      | <b>33,207</b>      | <b>7,984</b>      |
| <b>Cost of revenue</b>  |      | <b>13,705</b>      | <b>3,552</b>      |
| <b>Gross profit</b>   |      | <b>19,502</b>      | <b>4,432</b>      |
| <b>Expenses</b>   |      |                    |                   |
| General and administrative  |      | 9,629              | 7,012             |
| Research and development  |      | 5,672              | 1,649             |
| Sales and marketing   |      | 2,942              | 484               |
| Share-based payments  |      | 1,978              | 3,367             |
| Amortization of intangible assets   | 8    | 4,252              | 1,741             |
| Depreciation of property equipment  |      | 17                 | 53                |
| Depreciation of ROU assets  | 14   | 822                | 23                |
| Operating expenses  | 19   | 25,312             | 14,329            |
| <b>Loss before other expense and taxes</b>                                    |      | <b>(5,810)</b>     | <b>(9,897)</b>    |
| Financing expenses  | 20   | 2,832              | 1,246             |
| Effect of foreign exchange rate   |      | 416                | —                 |
| Changes in fair value of call options   |      | —                  | 211               |
| Changes in fair value of contingent consideration                             | 13   | (837)              | 557               |
| Changes in fair value of investments  |      | 40                 | 641               |
| Change in fair value of derivative liability                                  | 15   | (1,575)            | —                 |
|   |      | 876                | 2,655             |
| <b>Loss before taxes from continuing operations</b>                           |      | <b>(6,686)</b>     | <b>(12,552)</b>   |
| Income taxes expense (recovery)   |      | 161                | (243)             |
| <b>Net loss for the period on continuing operations, net of tax</b>           |      | <b>(6,847)</b>     | <b>(12,309)</b>   |
| Net loss on discontinued operations, net of tax                               |      | —                  | (1,746)           |
| <b>Net loss for the period</b>  |      | <b>(6,847)</b>     | <b>(14,055)</b>   |
| <b>Other comprehensive income</b>   |      |                    |                   |
| Foreign currency translation of foreign operations                            |      | 2,068              | 150               |
| <b>Net comprehensive loss for the period</b>                                  |      | <b>(4,779)</b>     | <b>(13,905)</b>   |
| <b>Net loss attributed to</b>   |      |                    |                   |
| Non-controlling interests   |      | —                  | (302)             |
| Shareholders of HEALWELL AI Inc.  |      | (6,847)            | (13,753)          |
|   |      | (6,847)            | (14,055)          |
| <b>Net comprehensive loss earnings attributable to</b>                        |      |                    |                   |
| Non-controlling interests   |      | —                  | (302)             |
| Shareholders of HEALWELL AI Inc.  |      | (4,779)            | (13,603)          |
|   |      | (4,779)            | (13,905)          |
| <b>Loss per share attributable to HEALWELL AI Inc.</b>                        |      |                    |                   |
| Basic and diluted - Continuing operations                                     | 22   | (0.02)             | (0.07)            |
| Basic and diluted - Discontinued operations                                   | 22   | —                  | (0.01)            |
| Basic and diluted   | 22   | (0.02)             | (0.08)            |

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

# HEALWELL AI INC.

## Condensed Interim Consolidated Statement of Changes in Equity

| <i>Unaudited (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 |
|---|------|-----------------------------------|----------------|--------------------------------------|---------------------|---------------------|------------------|----------------|--------------------------|----------------|--------------------------------|
| <b>Balance, December 31, 2025</b>   |      | <b>293,322,517</b>                | <b>250,426</b> | <b>462</b>                           | <b>27,728</b>       | <b>(2,726)</b>      | <b>(151,946)</b> | <b>123,944</b> | <b>—</b>                 | <b>123,944</b> | <b>30,800,000</b>              |
| Net loss and comprehensive income (loss)                                  |      | —                                 | —              | —                                    | —                   | 2,068               | (6,847)          | (4,779)        | —                        | (4,779)        |                                |
| Share based payments  |      | —                                 | —              | —                                    | 1,978               | —                   | —                | 1,978          | —                        | 1,978          |                                |
| Share issuance for settlement of RSUs, PSUs, DSUs and Options             | 17   | 31,760                            | 31             | —                                    | (31)                | —                   | —                | —              | —                        | —              |                                |
| Share issued against conversion of debentures                             | 17   | 2,134,898                         | 389            | (68)                                 | —                   | —                   | —                | 321            | —                        | 321            |                                |
| Exercise of warrants  | 17   | 70,000                            | 14             | —                                    | —                   | —                   | —                | 14             | —                        | 14             |                                |
| <b>Balance, March 31, 2026</b>  |      | <b>295,559,175</b>                | <b>250,860</b> | <b>394</b>                           | <b>29,675</b>       | <b>(658)</b>        | <b>(158,793)</b> | <b>121,478</b> | <b>—</b>                 | <b>121,478</b> | <b>30,800,000</b>              |

| <i>Unaudited (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   |      | —                                 | —              | —                                    | —                   | 150                 | (13,753)         | (13,603)      | (302)                    | (13,905)       |                                |
| Share based payments  | 18   | —                                 | —              | —                                    | 3,367               | —                   | —                | 3,367         | —                        | 3,367          |                                |
| Share issuance  | 17   | 12,737,500                        | 23,595         | —                                    | —                   | —                   | —                | 23,595        | —                        | 23,595         |                                |
| Share issuance for settlement of RSUs and DSUs and options                | 17   | 54,991                            | 103            | —                                    | (103)               | —                   | —                | —             | —                        | —              |                                |
| Share issued against conversion of debentures                             | 17   | 22,969,863                        | 3,900          | 6,457                                | —                   | —                   | —                | 10,357        | —                        | 10,357         |                                |
| Share warrants  | 17   | —                                 | —              | 1,144                                | —                   | —                   | —                | 1,144         | —                        | 1,144          |                                |
| Exercise of warrants  | 17   | 21,312,500                        | 4,575          | —                                    | —                   | —                   | —                | 4,575         | —                        | 4,575          |                                |
| <b>Balance, March 31, 2025</b>  |      | <b>225,903,893</b>                | <b>172,257</b> | <b>9,334</b>                         | <b>20,555</b>       | <b>147</b>          | <b>(108,971)</b> | <b>93,322</b> | <b>9,483</b>             | <b>102,805</b> | <b>30,800,000</b>              |

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

# HEALWELL AI INC.

## Condensed Interim Consolidated Statement of Cash Flows

| <i>Unaudited (in thousands of Canadian dollars)</i>  | Note | Three months ended |                   |
|--|------|--------------------|-------------------|
|  |      | March 31,<br>2026  | March 31,<br>2025 |
| <b>Operating activities:</b>   |      |                    |                   |
| Net loss for the period  |      | (6,847)            | (14,055)          |
| <b>Items not affecting cash:</b>   |      |                    |                   |
| Depreciation and amortization  | 8    | 5,091              | 1,817             |
| Deferred tax recovery  |      | (161)              | (243)             |
| Net financing expense  | 20   | 2,207              | 1,091             |
| Share based payments   | 18   | 1,978              | 3,367             |
| Fair value changes in contingent consideration   | 13   | (837)              | 557               |
| Loss on foreign currency exchange rates  |      | 416                | —                 |
| Changes in fair value of investments   |      | 40                 | 641               |
| Changes in fair value of call options  |      | —                  | 211               |
| Changes in fair value of derivative liability  | 15   | (1,575)            | —                 |
| Net Change in non-cash operating items   |      | 4,631              | 969               |
| <b>Net cash flows generated in (used in) operating activities from continuing operations</b> |      | <b>4,943</b>       | <b>(5,645)</b>    |
| Net cash flows generated in operating activities from discontinued operations                |      | —                  | 1,613             |
| <b>Net cash flows generated in (used in) operating activities</b>                            |      | <b>4,943</b>       | <b>(4,032)</b>    |
| <b>Investing activities</b>  |      |                    |                   |
| Proceeds from Mutuo holdback   |      | 648                | —                 |
| Capitalized development costs  | 8    | (1,220)            | (169)             |
| Purchase of property, plant and equipment  |      | (133)              | —                 |
| Advance against investment   |      | —                  | (4,114)           |
| Funds held in escrow   |      | —                  | (82,436)          |
| <b>Net cash flows used in investing activities from continuing operations</b>                |      | <b>(705)</b>       | <b>(86,719)</b>   |
| Net cash flows used in investing activities from discontinued operations                     |      | —                  | (83)              |
| <b>Financing activities</b>  |      |                    |                   |
| Proceeds from conversion of debentures   | 17   | —                  | 3,137             |
| Payment of earnout   |      | (112)              | —                 |
| Repayment for BDC loan   |      | (48)               | —                 |
| Repayment of bank loan   |      | (303)              | (46)              |
| Advances from related parties  |      | 453                | 231               |
| Lease payments   |      | (816)              | (68)              |
| Proceeds from exercise of warrants, net of expenses  |      | 14                 | 4,575             |
| Proceeds from issuance of shares   | 17   | —                  | 23,595            |
| Proceeds from loan, net of issuance cost   | 16   | —                  | 44,500            |
| Proceeds from debenture issuance, net of expenses  |      | —                  | 26,636            |
| Repayment of promissory note and loans   |      | —                  | (3,576)           |
| Lease payments received  | 14   | —                  | 75                |
| <b>Net cash flows (used in) generated in financing activities from continuing operations</b> |      | <b>(812)</b>       | <b>99,059</b>     |
| Net cash flows (used in) generated in financing activities from discontinued operations      |      | —                  | 697               |
| Effect of currency translation on cash   |      | (114)              | 99                |
| <b>Net increase in cash and cash equivalents</b>   |      | <b>3,312</b>       | <b>9,021</b>      |
| <b>Cash and cash equivalent at beginning of the period</b>                                   |      | <b>18,634</b>      | <b>9,413</b>      |
| <b>Cash and cash equivalent at ending of the period</b>                                      |      | <b>21,946</b>      | <b>18,434</b>     |

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

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

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### 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 ("Subordinate Voting Shares") trade on the Toronto Stock Exchange (the "TSX") under the symbol AIDX.

The condensed interim consolidated financial statements of HEALWELL for the three months ended March 31, 2026, and March 31, 2025, 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") subsidiaries.
- 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 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 condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and using the same accounting policies as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2025 prepared in accordance with IFRS Accounting Standards, except as described below. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2025.

These condensed interim consolidated financial statements for the period ended March 31, 2026, were approved by the Board of Directors and authorized for issuance on May 7, 2026.

#### b) Foreign Currency Translation

The condensed interim consolidated financial statements are presented in Canadian dollars. Each subsidiary determines its functional currency based on the primary economic environment in which it operates.

Assets and liabilities of foreign subsidiaries with a different functional currency are translated into Canadian dollars using exchange rates in effect at the statement of financial position date. Revenues and expenses are translated at average rates during the period. Translation reserve adjustments are recorded in translation reserve within equity and are reclassified to earnings upon disposal of the foreign operation. Foreign currency transactions are recorded at exchange rates in effect at the transaction date, with resulting gains or losses from remeasurement of monetary items recognized in earnings.

#### c) Use of estimates and judgements

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

### 3. MATERIAL ACCOUNTING POLICIES

The preparation of these condensed interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2025, except as noted below:

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### a) Standards adopted during the period

Effective January 1, 2026, the Company adopted the May 2024 amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures (the "Amendments"). The Amendments clarify the assessment of contractual cash flow characteristics of financial assets with contingent features, introduce additional disclosure requirements, and provide guidance on settlement-date accounting, including a policy election for the derecognition of financial liabilities settled through electronic payment systems.

The Company assessed the impact of the Amendments on its financial instruments, including cash, receivables, investments, payables, loans, debentures, the derivative liability, and contingent consideration. The clarifications to the contractual cash flow characteristics assessment did not change the classification or measurement of any financial assets. With respect to electronic transfers, the Company reviewed its payment processes for financial liabilities settled through electronic funds transfers, wire transfers, and ACH payments. The Company derecognizes financial liabilities settled through electronic payment systems at the point when the funds have been irrevocably transferred from the Company's bank account and the Company no longer has the practical ability to cancel or access the payment. The Company has assessed that this practice is consistent with the derecognition exception criteria under the Amendments, as at the point of derecognition: (i) the Company has no practical ability to cancel the payment; (ii) the Company has no practical ability to access the cash; and (iii) the settlement risk associated with the electronic payment systems used by the Company is insignificant. As such, the adoption of the Amendments did not result in a change in the Company's accounting policy for the derecognition of financial liabilities settled through electronic payment systems. The Company does not hold financial instruments within the scope of the new disclosure requirements.

Adoption of the Amendments had no material impact on the Company's condensed interim consolidated financial statements for the three months ended March 31, 2026, and did not result in any adjustment to opening balances as at January 1, 2026.

### b) Standards 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.

## 4. ACCOUNTS RECEIVABLE

| <i>(in thousands of Canadian dollars)</i>     | March 31,<br>2026 | December 31,<br>2025 |
|---|-------------------|----------------------|
| Accounts receivable consist of the following: |                   |                      |
| Trade receivables – AI & Data sciences        | 3,034             | 3,434                |
| Trade receivables - Healthcare Software       | 15,248            | 21,589               |
| Allowance for doubtful accounts               | (3,533)           | (3,738)              |
|   | <b>14,749</b>     | 21,285               |

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

| <i>(in thousands of Canadian dollars)</i>                               | March 31,<br>2026 | December 31,<br>2025 |
|---|-------------------|----------------------|
| As at January 1   | 3,738             | 190                  |
| Changes from acquisitions during the year                               | —                 | 4,298                |
| Recovery of provision for expected credit losses- continuing operations | —                 | (750)                |
| Effect of currency translation  | (205)             | —                    |
|   | <b>3,533</b>      | 3,738                |

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 \$3,533 specific provision (December 31, 2025 – \$3,701) has been recognized for certain customers with elevated credit risk due to prolonged aging and collection uncertainty.
- A general provision of \$— (December 31, 2025 – \$—) reflects lifetime ECL on the remaining receivables portfolio, using a simplified approach to measure lifetime ECL.

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

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 Company. 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> | <b>March 31,<br/>2026</b> | December 31,<br>2025 |
|---|---------------------------|----------------------|
| Contract assets - current                 | <b>17,196</b>             | 16,632               |
| Contract assets - non current             | <b>263</b>                | 263                  |
| Total Contract assets                     | <b>17,459</b>             | 16,895               |
| Contract liabilities                      | <b>(10,454)</b>           | (15,295)             |
| Net positions                             | <b>7,005</b>              | 1,600                |

### 6. PREPAID AND OTHER ASSETS

| <i>(in thousands of Canadian dollars)</i> | <b>March 31,<br/>2026</b> | December 31,<br>2025 |
|---|---------------------------|----------------------|
| Prepaid expenses                          | <b>4,233</b>              | 4,998                |
| Harmonized Sales Tax (HST)                | <b>1,659</b>              | 1,807                |
| Others                                    | <b>408</b>                | 714                  |
|   | <b>6,300</b>              | 7,519                |
| Less: current portion assets              | <b>(5,892)</b>            | (6,805)              |
|   | <b>408</b>                | 714                  |

### 7. 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 Tech Limited and its subsidiaries (including Orchestral Limited and McCrae Hospitals (NZ) Limited) – related party due to its association with the Orion Health acquisition and the involvement of Ian McCrae, who served on the Board of Directors of the Company and who, together with the entities he controls, is a significant shareholder of the Company.

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### a) Related party balance

| <i>(in thousands of Canadian dollars)</i>                        | Note | March 31,<br>2026 | December 31,<br>2025 |
|--|------|-------------------|----------------------|
| WELL Health Technologies Corp                                    |      |                   |                      |
| Operating loan payable   |      | 3,238             | 2,795                |
| Deferred Consideration - Intrahealth                             |      | 642               | 642                  |
| Convertible principal promissory note including accrued interest |      | 5,800             | 5,700                |
| Holdback – Intrahealth   |      | 606               | 606                  |
| Related parties of Intrahealth                                   |      |                   |                      |
| Operating loan payable   |      | 270               | 260                  |
| Management and Board members                                     |      |                   |                      |
| 2023 Debenture payable   | 15   | 507               | 483                  |
|  |      | <b>11,063</b>     | 10,486               |
| Total current portion  |      | <b>(4,756)</b>    | (4,303)              |
| Non-current portion payables                                     |      | <b>6,307</b>      | 6,183                |

### Receivables

|   |            |       |
|---|------------|-------|
| Holdback – MCI Alberta                                      | 150        | 150   |
| Holdback – Mutuo  | —          | 616   |
| Earnout receivable – Clinical research and patient services | 160        | 160   |
| Operating loan receivable - current                         | 248        | 343   |
| Other related parties - Healwell                            | 48         | 48    |
| Total receivables   | <b>606</b> | 1,317 |

### b) Related party transactions

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

| <i>(in thousands of Canadian dollars)</i> | Three months ended<br>March 31,<br>2026 | March 31,<br>2025 |
|---|---|-------------------|
| <b>WELL Health Technologies Corp.</b>     |   |                   |
| Transition services                       | 574                                     | 384               |
| Revenue from related parties              | (157)                                   | —                 |
| Interest on debentures                    | —                                       | 142               |
| Interest on promissory notes              | 100                                     | 100               |
| <b>Management and Board members</b>       |   |                   |
| Interest on debentures payable            | 350                                     | 38                |
| Transition services                       | 24                                      | —                 |

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

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### 8. INTANGIBLE ASSETS

Intangible assets consist of the following:

| <i>(in thousands of Canadian dollars)</i>  | Customer Relationships | Non-Compete Contracts | Trademarks    | Software & Product Development | Total          |
|--|------------------------|-----------------------|---------------|--------------------------------|----------------|
| <b>Cost</b>                                |                        |                       |               |                                |                |
| <b>Balance, December 31, 2025</b>          | <b>55,847</b>          | —                     | <b>14,938</b> | <b>64,267</b>                  | <b>135,052</b> |
| Additions                                  | —                      | —                     | —             | <b>1,220</b>                   | <b>1,220</b>   |
| Effect of currency translation             | <b>488</b>             | —                     | <b>164</b>    | <b>657</b>                     | <b>1,309</b>   |
| Disposal of subsidiary and assets          | —                      | —                     | —             | —                              | —              |
| <b>Balance, March 31, 2026</b>             | <b>56,335</b>          | —                     | <b>15,102</b> | <b>66,144</b>                  | <b>137,581</b> |
|  |                        |                       |               |                                |                |
| Balance, December 31, 2024                 | 19,505                 | 303                   | 1,050         | 23,322                         | 44,180         |
| Additions                                  | —                      | —                     | —             | 3,734                          | 3,734          |
| Acquisition through business combination   | 41,156                 | —                     | 13,724        | 42,455                         | 97,335         |
| Effect of currency translation             | 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        |
|  |                        |                       |               |                                |                |
| <b>Accumulated Amortization</b>            |                        |                       |               |                                |                |
| Balance, December 31, 2025                 | <b>9,440</b>           | —                     | <b>1,262</b>  | <b>17,428</b>                  | <b>28,130</b>  |
| Amortization from continuing operations    | <b>1,470</b>           | —                     | <b>382</b>    | <b>2,400</b>                   | <b>4,252</b>   |
| Effect of currency translation             | <b>23</b>              | —                     | <b>7</b>      | <b>27</b>                      | <b>57</b>      |
| <b>Balance, March 31, 2026</b>             | <b>10,933</b>          | —                     | <b>1,651</b>  | <b>19,855</b>                  | <b>32,439</b>  |
|  |                        |                       |               |                                |                |
| 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 discontinuing operations | 468                    | —                     | —             | (1)                            | 467            |
| Effect of currency translation             | (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         |
|  |                        |                       |               |                                |                |
| <b>Carrying Amounts</b>                    |                        |                       |               |                                |                |
| <b>Balance, March 31, 2026</b>             | <b>45,402</b>          | —                     | <b>13,451</b> | <b>46,289</b>                  | <b>105,142</b> |
| Balance, December 31, 2025                 | 46,407                 | —                     | 13,676        | 46,839                         | 106,922        |

For the three months ended March 31, 2026, the Company capitalized \$1,220 of development costs (December 31, 2025 – \$3,734). Intrahealth, VeroSource and Orion Health were the only subsidiaries that capitalized costs in the three months ended March 31, 2026

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### 9. GOODWILL

| <i>(in thousands of Canadian dollars)</i>                   | <b>Total</b>  |
|---|---------------|
| <b>Cost</b>   |               |
| <b>Balance, December 31, 2025</b>                           | <b>98,546</b> |
| Measurement period adjustment - Orion acquisition (Note 11) | <b>(773)</b>  |
| Effect of movements in exchange rates                       | <b>212</b>    |
| <b>Balance, March 31, 2026</b>                              | <b>97,985</b> |
| Balance, December 31, 2024                                  | 67,143        |
| Additions through business combinations                     | 55,309        |
| Effect of movements in exchange rates and other             | (4,125)       |
| Impairment  | (10,297)      |
| Disposal of subsidiary                                      | (9,484)       |
| <b>Balance, December 31, 2025</b>                           | <b>98,546</b> |

For the three months ended March 31, 2026, 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 Data Science & AI operating segment comprises Khure and Pentavere. The 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. The Company determined that there are no indicators of impairment on any of the CGUs at March 31, 2026 and therefore, management has not updated any of the impairment calculations.

| <i>(in thousands of Canadian dollars)</i> | <b>March 31,<br/>2026</b> | December 31,<br>2025 |
|---|---------------------------|----------------------|
| Data Science & AI                         | <b>8,120</b>              | 8,120                |
| Intrahealth                               | <b>16,887</b>             | 16,887               |
| VeroSource                                | <b>19,269</b>             | 19,269               |
| Orion Health                              | <b>53,709</b>             | 54,270               |
|   | <b>97,985</b>             | 98,546               |

### 10. 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 ("FVTPL") and other comprehensive income ("OCI") as at March 31, 2026 and December 31, 2025.

| <i>(in thousands of Canadian dollars)</i>  | Note | <b>March 31,<br/>2026</b> | December 31,<br>2025 |
|--|------|---------------------------|----------------------|
| Investment in Fund holding X.AI Securities | (a)  | <b>4,607</b>              | 4,607                |
| Investment in Future Vault Securities      |      | <b>313</b>                | 353                  |
| Investment in Abstractive Health           |      | <b>348</b>                | 348                  |
| Investment in joint venture                | (b)  | <b>3,000</b>              | 3,000                |
|  |      | <b>8,268</b>              | 8,308                |

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

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- a) On May 9, 2024, the Company invested in a Think 1st Principles fund with the opportunity to realize 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. On February 2, 2026, Space Exploration Technologies Corp. ("SpaceX") acquired xAI in an all-stock transaction, resulting in X.AI becoming a wholly owned subsidiary of SpaceX. Following this transaction, SpaceX announced plans to pursue an initial public offering (IPO). The fair value of the investment in X.AI is \$4,607 as at March 31, 2026 (December 31, 2025 - \$4,607).
- b) On November 1, 2025, 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 clinical research assets in exchange for 3,000,000 Class A LP Units with a fair value of \$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 financial assets measured at FVOCI 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). There was no impact to profit or loss for the three months ended March 31, 2026.

### 11. 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 \$85,233 was paid in cash. The non-cash components comprised of 35,412,075 Subordinate Voting Shares with a Fair Market Value (FMV) of \$52,031. 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 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.

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

| Purchase price allocation <i>(in thousands of Canadian dollars)</i> | April 1, 2025  | Measurement period adjustment | April 1, 2025  |
|---|----------------|-------------------------------|----------------|
| Cash Consideration on closing                                       | 85,233         | —                             | 85,233         |
| Issued shares (35,412,075 shares issued at \$1.47/share)            | 52,031         | —                             | 52,031         |
| Contingent Consideration  | 23,073         | —                             | 23,073         |
|   | <b>160,337</b> | <b>—</b>                      | <b>160,337</b> |
| Cash and cash equivalents   | 14,195         | 300                           | 14,495         |
| Trade and other receivables   | 17,698         | 72                            | 17,770         |
| Contract and other assets   | 18,397         | —                             | 18,397         |
| Deferred tax asset  | 645            | —                             | 645            |
| Property, plant and equipment                                       | 646            | —                             | 646            |
| Other long term assets  | 1,893          | (300)                         | 1,593          |
| Customer relationships  | 42,885         | —                             | 42,885         |
| Software intellectual property                                      | 41,132         | —                             | 41,132         |
| Trademark   | 14,349         | —                             | 14,349         |
| Right-of-use assets   | 4,059          | 416                           | 4,475          |
| Trade and other payables  | (19,158)       | (109)                         | (19,267)       |
| Current income tax liabilities                                      | (1,133)        | —                             | (1,133)        |
| Payroll and other employee liabilities                              | (4,109)        | 193                           | (3,916)        |
| Current Portion of lease liabilities                                | (2,283)        | —                             | (2,283)        |
| Deferred revenue  | (20,096)       | 186                           | (19,910)       |
| Non-current liabilities   | (4,092)        | 15                            | (4,077)        |
| Goodwill  | 55,309         | (773)                         | 54,536         |
|   | <b>160,337</b> | <b>—</b>                      | <b>160,337</b> |

Orion Health is included in the Healthcare Software operating segment (Note 24). During the three months ended March 31, 2026, the Company incurred approximately \$nil in acquisition and related costs (three months ended March 31, 2025 - \$2,430). These costs are included in 'General and Administration' in the condensed interim consolidated statement of loss and comprehensive loss.

### 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| <i>(in thousands of Canadian dollars)</i> | March 31,<br>2026 | December 31,<br>2025 |
|---|-------------------|----------------------|
| Trade & Other Payables                    | 15,279            | 14,335               |
| Income Tax Payables                       | 2,019             | 1,528                |
| Accrued Liabilities                       | 9,539             | 9,003                |
| Deposits                                  | 27                | 27                   |
|   | <b>26,864</b>     | <b>24,893</b>        |

### 13. CONTINGENT CONSIDERATIONS

| <i>(in thousands of Canadian dollars)</i> | Total         |
|---|---------------|
| <b>Balance, December 31, 2025</b>         | <b>28,104</b> |
| Payments                                  | (112)         |
| Accretion                                 | 704           |
| Changes in Fair Value                     | (837)         |

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

|  |               |
|--|---------------|
| <b>Balance, March 31, 2026</b>         | <b>27,859</b> |
| Current portion                        | 909           |
| Non-current portion                    | <b>26,950</b> |
| Balance, December 31, 2024             | 4,495         |
| Additions through business combination | 23,073        |
| Payments                               | (5,116)       |
| Accretion                              | 2,842         |
| Changes in Fair Value                  | 2,810         |
| Balance, December 31, 2025             | 28,104        |

- i) 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 three months ended March 31, 2026, the Company recognized a gain in the fair value of contingent consideration of \$163 (three months ended March 31, 2025 – loss of \$124), which has been recorded in the consolidated statement of loss and comprehensive loss.
- ii) 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 Subordinate Voting Shares based on the 10-day VWAP of those 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 three months ended March 31, 2026, the Company recognized a gain in the fair value of contingent consideration of \$610 (three months ended March 31, 2025 – \$nil), which has been recorded in the consolidated statement of loss and comprehensive loss.

## 14. LEASES

Rental contracts are typically made for fixed periods of 5 to 12 years. For the majority of 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 (ROU) assets as at March 31, 2026, and December 31, 2025, are as follows:

| <i>(in thousands of Canadian dollars)</i> | Note | Total         |
|---|------|---------------|
| <b>Cost</b>                               |      |               |
| <b>Balance, December 31, 2025</b>         |      | <b>14,143</b> |
| Additions                                 |      | 9             |
| Disposals and modifications               |      | 624           |
| Effect of Translation                     |      | 56            |
| <b>Balance, March 31, 2026</b>            |      | <b>14,832</b> |
| Balance, December 31, 2024                |      | 12,676        |
| Additions                                 |      | 1,466         |
| Additions through business combination    |      | 4,059         |
| Disposals and modifications               |      | (3,928)       |
| Effect of Translation                     |      | (130)         |

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

|   |               |
|---|---------------|
| Balance, December 31, 2025                | 14,143        |
| <b>Accumulated depreciation</b>           |               |
| <b>Balance, December 31, 2025</b>         | <b>9,971</b>  |
| Depreciation                              | 822           |
| Disposals and modifications               | —             |
| Effect of Translation                     | 7             |
| <b>Balance, March 31, 2026</b>            | <b>10,800</b> |
| 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         |
| <b>Net book value as at:</b>              |               |
| <b>March 31, 2026</b>                     | <b>4,032</b>  |
| December 31, 2025                         | 4,172         |

The Company's lease liability and lease receivable as at March 31, 2026, and December 31, 2025, are as follows:

| <i>(in thousands of Canadian dollars)</i> | <b>March 31,<br/>2026</b> | December 31,<br>2025 |
|---|---------------------------|----------------------|
| Lease liability – current                 | <b>1,760</b>              | 2,287                |
| Lease liability – non-current             | <b>3,277</b>              | 3,379                |
| <b>Total Lease liability</b>              | <b>5,037</b>              | 5,666                |

### Lease Liability

The movement in the lease liability as at March 31, 2026, and December 31, 2025 is broken out as follows:

| <i>(in thousands of Canadian dollars)</i>     | <b>March 31,<br/>2026</b> | <b>December 31,<br/>2025</b> |
|---|---------------------------|------------------------------|
| Balance, Beginning                            | <b>5,666</b>              | 6,183                        |
| Lease modification                            | <b>10</b>                 | 597                          |
| New Leases                                    | —                         | 1,380                        |
| Business combination                          | —                         | 5,066                        |
| Interest expense from continuing operations   | <b>99</b>                 | 304                          |
| Interest expense from discontinued operations | —                         | 209                          |
| Termination                                   | —                         | (201)                        |
| Effect of Translation                         | <b>78</b>                 | (115)                        |
| Lease cash payments                           | <b>(816)</b>              | (3,456)                      |
| Disposal of subsidiary and clinics            | —                         | (4,301)                      |
| <b>Balance, Ending</b>                        | <b>5,037</b>              | 5,666                        |

The maturity analysis of lease liabilities at March 31, 2026, is as follows:

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

| <i>(in thousands of Canadian dollars)</i> | Minimum Lease Payment Due |             |          | Total |
|---|---------------------------|-------------|----------|-------|
|   | < 1 year                  | 2 – 5 years | >5 years |       |
| Lease payments                            | 1,963                     | 3,028       | 506      | 5,497 |
| Finance charges                           | (203)                     | (225)       | (31)     | (459) |
| Lease liabilities                         | 1,760                     | 2,803       | 474      | 5,037 |

### 15. DEBENTURE PAYABLE

| <i>(in thousands of Canadian dollars)</i>                   | March 31,<br>2026 | December 31,<br>2025 |
|---|-------------------|----------------------|
| <b>Balance, Beginning</b>                                   | <b>20,638</b>     | 6,691                |
| 2025 Debenture issuance                                     | —                 | 17,380               |
| Coupon payment  | —                 | (2,250)              |
| Accrued interest  | <b>1,262</b>      | 4,186                |
| Converted into shares                                       | <b>(320)</b>      | (5,369)              |
| <b>Balance, Ending</b>                                      | <b>21,580</b>     | 20,638               |
| Liability component   | <b>21,580</b>     | 20,638               |
| Reclass to Debenture payable to Management and Board member | <b>(507)</b>      | (483)                |
| <b>Total</b>  | <b>21,073</b>     | 20,155               |
| Current portion   | <b>(19,683)</b>   | (18,520)             |
| Non-current portion   | <b>1,390</b>      | 1,635                |

The 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 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.

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.

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

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 March 31, 2026, the fair value of the derivative liability was \$1,540.

### Classification of Debenture

The \$30,000 convertible debenture has a cash settlement maturity date of December 31, 2029. The FMV of the debenture as at March 31, 2026 is \$19,683. 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 of \$1,540 is classified as a current liability on the consolidated statement of financial position.

## 16. LOANS

As at March 31, 2026 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         |
|---|-------------|------------|---------------|---------------|
| <b>Balance as at December 31, 2025</b>    | <b>916</b>  | <b>654</b> | <b>48,251</b> | <b>49,821</b> |
| Accretion                                 | 14          | 18         | —             | 32            |
| Repayment and Settlements                 | (53)        | (48)       | (250)         | (351)         |
| Amortization of financing fees            | —           | —          | 55            | 55            |
| <b>Balance as at March 31, 2026</b>       | <b>877</b>  | <b>624</b> | <b>48,056</b> | <b>49,557</b> |
| Current portion                           | 165         | 624        | 1,000         | 1,789         |
| Non-current portion                       | 712         | —          | 47,056        | 47,768        |
| Balance as at December 31, 2024           | 789         | 1,003      | —             | 1,792         |
| 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        |

- 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 certain claims. 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 March 31, 2026. 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 March 31, 2026.
- 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 in respect of this facility, including:

- A Total Leverage Ratio not exceeding 4:1 through March 31, 2026

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

- A Fixed Charge Coverage Ratio of at least 1.15:1.

The Company was in compliance with both covenants on March 31, 2026.

### 17. 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         |                                |
| <b>Balance, December 31, 2025</b>                                       | <b>293,322,517</b>                | <b>250,426</b> | <b>30,800,000</b>              |
| Issuance of Subordinate Voting Shares against RSU,PSU & DSU and options | 31,760                            | 31             |                                |
| Issuance of Subordinate Voting Shares against conversion of debentures  | 2,134,898                         | 389            |                                |
| Issuance of Subordinate Voting Shares against warrants exercised        | 70,000                            | 14             |                                |
| <b>Balance, March 31, 2026</b>  | <b>295,559,175</b>                | <b>250,860</b> | <b>30,800,000</b>              |

|   | Class A Subordinate Voting Shares |                | Class B Multiple Voting Shares |
|---|-----------------------------------|----------------|--------------------------------|
|   | No. of Shares                     | Amount         |                                |
| <b>Balance, December 31, 2024</b>   | <b>168,829,039</b>                | <b>140,084</b> | <b>30,800,000</b>              |
| Issuance of Subordinate Voting Shares against warrants exercised                                | 21,832,687                        | 4,935          |                                |
| Share issued in exchange for achieving milestone  | 2,192,330                         | 2,886          |                                |
| Issuance of Subordinate Voting Shares for acquisition of Orion acquisition                      | 35,412,075                        | 52,030         |                                |
| Issuance of Subordinate Voting Shares for acquisition 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 Subordinate Voting Shares against conversion of debentures                          | 38,499,775                        | 6,647          |                                |
| Issuance of Subordinate Voting Shares against RSU,PSU & DSU and options                         | 2,482,378                         | 3,468          |                                |
| <b>Balance, December 31, 2025</b>   | <b>293,322,517</b>                | <b>250,426</b> | <b>30,800,000</b>              |

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### Warrants

The following table summarizes grants of share warrants issued as broker compensation for equity bought deal financings, debenture warrants as part of the 2023 Debenture financing and the 2025 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, 2025 | Exercise Price | Fair Value | Exercised | Net Outstanding as at March 31, 2026 |
|-----------------------------|--|----------------|------------|-----------|--------------------------------------|
| <b>Broker Warrants</b>      |  |                |            |           |                                      |
| December 22, 2023           | 452,376  | 0.80           | 0.49       | —         | 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                              |
| <b>Bought Deal Warrants</b> |  |                |            |           |                                      |
| December 22, 2023           | 3,294,650  | 1.20           | 0.52       | —         | 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                            |
| <b>Debenture Warrants</b>   |  |                |            |           |                                      |
| October 1, 2023             | 6,705,000  | 0.20           | 0.20       | 70,000    | 6,635,000                            |

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            |
|------------------------|-----------------|
| Risk free rate         | 4.05%           |
| Expected life (years)  | 3               |
| Volatility             | 124.01%         |
| Underlying stock price | \$1.72 - \$1.86 |
| Strike price           | \$2.08 - \$2.40 |

## 18. 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    |
|------------------------|---------|
| Risk free rate         | 2.93%   |
| Expected life (years)  | 3.85    |
| Volatility             | 212.65% |
| Underlying stock price | \$1.38  |
| Strike price           | \$1.42  |

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### 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 quarter ended March 31, 2026.

### (a) Share Based Payments

| March 31, 2026 |   |                                     |   |
|----------------|---|-------------------------------------|---|
| Exercise price | Number of share options outstanding (000) | Number of share options exercisable | Weighted average remaining contractual life (years) |
| 0.69           | 1,590                                     | 1,181                               | 2.50  |
| 1.36           | 81  | 81                                  | 1.02  |
| 1.42           | 100                                       | —                                   | 3.01  |
| 1.92           | 100                                       | 100                                 | 3.42  |
| 2.39           | 820                                       | 273                                 | 3.09  |
|                | 2,691                                     | 1,635                               |   |

| December 31, 2025 |   |                                     |   |
|-------------------|---|-------------------------------------|---|
| Exercise price    | Number of share options outstanding (000) | 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  |
| 1.42              | 100                                       | —                                   | 3.25  |
| 1.92              | 100                                       | 100                                 | 3.67  |
| 2.39              | 820                                       | 273                                 | 3.33  |
|                   | 2,691                                     | 1,635                               |   |

| <i>(in thousands, except average exercise price)</i> | Number of options | Weighted average exercise price |
|--|-------------------|---------------------------------|
| <b>Options Outstanding, December 31, 2025</b>        | <b>2,691</b>      | <b>1.31</b>                     |
| Options Granted                                      | —                 | —                               |
| Options Forfeited                                    | —                 | —                               |
| Options Settled                                      | —                 | —                               |
| <b>Options Outstanding, March 31, 2026</b>           | <b>2,691</b>      | <b>1.31</b>                     |
| Options Outstanding – December 31, 2024              | 2,597             | 1.3                             |
| Options Granted                                      | 100               | 1.42                            |
| Options Forfeited                                    | —                 | —                               |
| Options Settled                                      | (6)               | 0.69                            |
| Options Outstanding – December 31 2025               | 2,691             | 1.31                            |

### (b) DSUs, RSUs and PSUs

The Company may grant 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 directors, 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 Subordinate Voting Shares 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, the majority of RSUs and DSUs that have been awarded by the Company have been equity-settled.

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

The Company also grants PSUs to employees and contractors 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, the majority of PSUs that have been awarded by the Company have been equity settled.

| <b>Net outstanding Share based payments by type March 31, 2026</b> | <b>No. of shares</b> | <b>Vested</b>    |
|--|----------------------|------------------|
| PSUs   |                      |                  |
| Grants in 2023   | 750,002              | 375,001          |
| Grants in 2024   | 287,501              | 93,750           |
| Grants in 2025   | 4,709,897            | 1,302,664        |
| <b>Total PSUs</b>  | <b>5,747,400</b>     | <b>1,771,415</b> |
| RSUs   |                      |                  |
| Grants in 2023   | 948,334              | 549,999          |
| Grants in 2024   | 1,626,016            | 944,399          |
| Grants in 2025   | 5,131,523            | 1,297,920        |
| <b>Total RSUs</b>  | <b>7,705,873</b>     | <b>2,792,318</b> |
| DSUs   |                      |                  |
| Grants in 2024   | 43,947               | 43,947           |
| <b>Total DSUs</b>  | <b>43,947</b>        | <b>43,947</b>    |
| <b>Total No. of Shares</b>   | <b>13,497,220</b>    | <b>4,607,680</b> |

### **Total outstanding RSU / PSU / DSUs**

|                                | <b>RSUs</b>      | <b>PSUs</b>      | <b>DSUs</b>   | <b>Total</b>      |
|--------------------------------|------------------|------------------|---------------|-------------------|
| December 31, 2025              | 7,772,466        | 5,782,233        | 43,947        | 13,598,646        |
| Units vested and shares issued | (31,760)         | —                | —             | (31,760)          |
| Units forfeited                | (34,833)         | (34,833)         | —             | (69,666)          |
| <b>March 31, 2026</b>          | <b>7,705,873</b> | <b>5,747,400</b> | <b>43,947</b> | <b>13,497,220</b> |

During the three months period ended March 31, 2026 and 2025, the Company recognized share-based payments expense of \$1,978 and \$3,367, respectively, relating to share units and options in the Condensed Interim Consolidated Statement of Loss and Comprehensive Loss.

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### 19. OPERATING EXPENSE BY NATURE

| <i>(in thousands of Canadian dollars)</i>       | Three months ended |                   |
|---|--------------------|-------------------|
|   | March 31,<br>2026  | March 31,<br>2025 |
| Salaries and other short-term employee benefits | 14,026             | 3,292             |
| Research and development (non- salary) costs    | 1,238              | 148               |
| Sales and marketing (non- salary) costs         | 194                | 237               |
| Office expenses                                 | 161                | 213               |
| Professional fees and accounting                | 329                | 1,184             |
| Insurance                                       | 98                 | 202               |
| Technology and communication expenses           | 532                | 337               |
| Stock compensation                              | 1,978              | 3,367             |
| Public company expenses                         | 891                | 733               |
| Depreciation of property equipment              | 17                 | 53                |
| Depreciation of ROU assets                      | 822                | 23                |
| Amortization of intangible assets               | 4,252              | 1,741             |
| Travelling expenses                             | 159                | 133               |
| Acquisition and other related expenses          | —                  | 2,430             |
| Others  | 615                | 236               |
| <b>Expenses from continuing operations</b>      | <b>25,312</b>      | <b>14,329</b>     |

### 20. FINANCING EXPENSES

| <i>(in thousands of Canadian dollars)</i>           | Three months ended |                   |
|---|--------------------|-------------------|
|   | March 31,<br>2026  | March 31,<br>2025 |
| <b>Financing expenses consist of the following:</b> |                    |                   |
| Interest on lease liabilities                       | 99                 | 8                 |
| Interest income                                     | (63)               | (13)              |
| Interest on debentures payables                     | 1,263              | 332               |
| Interest on related party loan                      | 124                | —                 |
| Interest accretion on contingent liabilities        | 704                | 214               |
| Interest, bank charges and fees                     | 705                | 705               |
| <b>Financing from continuing operations</b>         | <b>2,832</b>       | <b>1,246</b>      |

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### 21. 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> | March 31,<br>2026 | March 31,<br>2025 |
|---|-------------------|-------------------|
| Accounts receivable                       | 6,741             | 16                |
| Other assets                              | 991               | 199               |
| Related party receivables                 | 63                | —                 |
| Accounts payable and accrued liabilities  | 2,055             | (309)             |
| Deferred revenue                          | (4,655)           | 1,713             |
| Unbilled Receivables                      | (564)             | (322)             |
| Total changes in non-cash operating items | 4,631             | 1,297             |

### 22. EARNINGS PER SHARE

| <i>(in thousands of Canadian dollars, except per share amounts and weighted average number)</i> | Three months ended |                   |
|---|--------------------|-------------------|
|   | March 31,<br>2026  | March 31,<br>2025 |
| Net loss attributable to Company shareholders:  |                    |                   |
| Continuing Operations   | (6,847)            | (12,007)          |
| Discontinued Operations   | —                  | (1,746)           |
|   | (6,847)            | (13,753)          |
| Weighted average number of Subordinate Voting Shares  | 294,361,155        | 171,905,025       |
| Basic and diluted loss per share-Continuing operations  | (0.02)             | (0.07)            |
| Basic and diluted earnings (loss) per share-Discontinued operations                             | —                  | (0.01)            |
| Basic and diluted loss per share  | (0.02)             | (0.08)            |

For the three months ended March 31, 2026 and 2025, all potential ordinary shares have been excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

### 23. 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 March 31, 2026:

#### 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 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 performs expected credit loss assessments and adjusts its allowance for expected credit losses based on available information and forward-looking factors.

#### Receivables from Government Customers

The Company's receivables from government customers arise from the provision of public health and data services to provincial and international government institutions, including customers in Canada and New Zealand. The Company has assessed the credit risk associated with these receivables as low due to the strong credit quality of government counterparties and a history of collection. Accordingly, the risk of default is considered minimal, and no significant allowance has been recognized.

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

### Receivables from Non-Government Customers

The Company's non-government receivables are primarily derived from enterprise customers, including large corporate clients in the healthcare and life sciences sectors. The Company has not experienced significant historical credit losses from these customers. Credit risk is managed through ongoing monitoring of receivable balances and customer creditworthiness, and the Company expects credit losses, if any, to be immaterial.

### 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       |
| <b>As at March 31, 2026</b>               |              |              |               |              |              |           |
| Cash and cash equivalents                 | 1,449        | 481          | 1,772         | 2,967        | 628          | 44        |
| Trade receivables                         | 1,510        | 1,045        | 9,433         | 10,536       | 939          | —         |
| Trade payables                            | (777)        | (358)        | (280)         | (4,650)      | (253)        | (13)      |
| <b>Net exposure</b>                       | <b>2,182</b> | <b>1,168</b> | <b>10,925</b> | <b>8,853</b> | <b>1,314</b> | <b>31</b> |

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 March 31, 2026 (December 31, 2025: 10%).

|   | NZD   | AUD   | GBP    | USD   | EUR   | AED |
|---|-------|-------|--------|-------|-------|-----|
| <i>(in thousands of Canadian dollars)</i> | CAD   | CAD   | CAD    | CAD   | CAD   | CAD |
| <b>As at March 31, 2026</b>               |       |       |        |       |       |     |
| 10% strengthening in CAD                  | 1,983 | 1,062 | 9,931  | 8,048 | 1,195 | 28  |
| 10% weakening in CAD                      | 2,424 | 1,297 | 12,138 | 9,837 | 1,460 | 34  |

### 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 March 31, 2026 the amounts outstanding are as follows: \$48,056 (December 31, 2025 - \$48,251) from the Scotiabank loan and \$624 (December 31, 2025 - \$654) from BDC.

If interest rates increased/decreased by 50 basis points and all other variables were held constant, the Company's net loss for the three months ended March 31, 2026, would have increased/decreased by \$61 (December 31, 2025 - \$249).

### 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 March 31, 2026.

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

| <i>(in thousands of Canadian dollars)</i> | <b>March 31, 2026</b> |                    |                     |
|---|-----------------------|--------------------|---------------------|
|   | <b>&lt; 1 year</b>    | <b>2 – 5 years</b> | <b>Over 5 years</b> |
| Lease payments                            | 1,963                 | 3,028              | 506                 |
| Accounts payable and accrued liabilities  | 26,864                | —                  | —                   |
| Loan payable                              | 1,789                 | 47,768             | —                   |
| Related party loan                        | 4,756                 | 6,307              | —                   |
| Derivative liability                      | 1,540                 | —                  | —                   |
| Debenture payable                         | —                     | 32,005             | —                   |
| Liability for contingent consideration    | 1,074                 | 28,710             | 16,474              |
|   | <b>37,986</b>         | <b>117,818</b>     | <b>16,980</b>       |

The Company's liquidity position has strengthened as of the period ended March 31, 2026 as the Company has cash of \$21,946 as at March 31, 2026 (December 31, 2025 - \$18,634) and the liabilities have not materially changed.

The Company expects to be able to meet its obligations as they become due in the normal course of business for at least the next twelve months from March 31, 2026.

### 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:

| <b>As at Asset/(Liability) (in thousands of Canadian dollars)</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>March 31, 2026 Total</b> |
|---|----------------|----------------|----------------|-----------------------------|
| Investment in equity securities and joint venture                 | —              | —              | 8,268          | 8,268                       |
| Loan payable  | —              | (49,557)       | —              | (49,557)                    |
| Derivative liability  | —              | —              | (1,540)        | (1,540)                     |
| Contingent consideration  | —              | —              | (27,859)       | (27,859)                    |

| <b>As at Asset/(Liability) (in thousands of Canadian dollars)</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>December 31, 2025 Total</b> |
|---|----------------|----------------|----------------|--------------------------------|
| Investment in equity securities and joint venture                 | —              | —              | 8,308          | 8,308                          |
| Loan payable  | —              | (48,548)       | —              | (48,548)                       |
| Derivative liability  | —              | —              | (3,115)        | (3,115)                        |
| Contingent consideration  | —              | —              | (28,104)       | (28,104)                       |

### Valuation techniques and key inputs

|  |  |
|--|--|
| Investments in equity securities (non-listed)        | Recent comparable transactions, discounts for lack of marketability  |
| Investment in equity securities and financial assets | Investment in equity securities and financial assets is measured at fair value through OCI.  |
| Contingent consideration                             | Discounted cash flow method based upon the probability adjusted revenue of Orion Health and VeroSource, and the Company share price. |

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

|                      |  |
|----------------------|--|
| 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. |
| Derivative liability | Derivative liability is measured at fair value using a FINCAD valuation model. 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 March 31, 2026 (December 31, 2025 - nil) between any levels within the fair value hierarchy.

### 24. SEGMENT REPORTING

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

The Company has two reportable segments (1) Data Science & AI 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.

| <i>(in thousands of Canadian dollars)</i> | Three months Ended March 31, 2026 |                     |                         |                    |                |
|---|-----------------------------------|---------------------|-------------------------|--------------------|----------------|
|   | Data Science & AI                 | Healthcare Software | Operating Segment Total | Healwell Corporate | Total          |
| Subscription, Support and Maintenance     | 828                               | 20,546              | 21,374                  | —                  | 21,374         |
| Professional Services                     | 1,770                             | 9,752               | 11,522                  | —                  | 11,522         |
| Software License                          | —                                 | 311                 | 311                     | —                  | 311            |
| <b>Total revenue</b>                      | <b>2,598</b>                      | <b>30,609</b>       | <b>33,207</b>           | <b>—</b>           | <b>33,207</b>  |
| Cost of Revenue                           | 884                               | 12,821              | 13,705                  | —                  | 13,705         |
| <b>Gross Profit</b>                       | <b>1,714</b>                      | <b>17,788</b>       | <b>19,502</b>           | <b>—</b>           | <b>19,502</b>  |
| General and administrative                | 803                               | 5,686               | 6,489                   | 3,140              | 9,629          |
| Research and development                  | 438                               | 5,234               | 5,672                   | —                  | 5,672          |
| Sales and marketing                       | 435                               | 2,484               | 2,919                   | 23                 | 2,942          |
| Other costs                               | 28                                | 3,419               | 3,447                   | 3,622              | 7,069          |
| <b>Total Operating Expenses</b>           | <b>1,704</b>                      | <b>16,823</b>       | <b>18,527</b>           | <b>6,785</b>       | <b>25,312</b>  |
| <b>EBITDA from continuing operations</b>  | <b>14</b>                         | <b>3,178</b>        | <b>3,192</b>            | <b>(2,877)</b>     | <b>315</b>     |
| <b>Non Current Assets</b>                 | <b>12,510</b>                     | <b>196,870</b>      | <b>209,380</b>          | <b>8,583</b>       | <b>217,963</b> |

# HEALWELL AI INC.

## Notes to Condensed Interim Consolidated Financial Statements

| <i>(in thousands of Canadian dollars)</i> | Three months Ended March 31, 2025 |                     |                         |                    |  | Total          |
|---|-----------------------------------|---------------------|-------------------------|--------------------|--|----------------|
|   | Data Science & AI                 | Healthcare Software | Operating Segment Total | Healwell Corporate |  |                |
| Subscription, Support and Maintenance     | 443                               | 3,160               | 3,603                   | —                  |  | 3,603          |
| Professional Services                     | 1,865                             | 2,099               | 3,964                   | —                  |  | 3,964          |
| Software License                          | —                                 | 417                 | 417                     | —                  |  | 417            |
| <b>Total revenue</b>                      | <b>2,308</b>                      | <b>5,676</b>        | <b>7,984</b>            | <b>—</b>           |  | <b>7,984</b>   |
| Cost of Revenue                           | 832                               | 2,720               | 3,552                   | —                  |  | 3,552          |
| <b>Gross Profit</b>                       | <b>1,476</b>                      | <b>2,956</b>        | <b>4,432</b>            | <b>—</b>           |  | <b>4,432</b>   |
| General and administrative                | 503                               | 830                 | 1,333                   | 5,673              |  | 7,006          |
| Research and development                  | 610                               | 1,038               | 1,648                   | —                  |  | 1,648          |
| Sales and marketing                       | 258                               | 226                 | 484                     | —                  |  | 484            |
| Other costs                               | 70                                | 28                  | 98                      | 5,087              |  | 5,185          |
| <b>Total Operating Expenses</b>           | <b>1,441</b>                      | <b>2,122</b>        | <b>3,563</b>            | <b>10,760</b>      |  | <b>14,323</b>  |
| <b>EBITDA from continuing operations</b>  | <b>78</b>                         | <b>861</b>          | <b>939</b>              | <b>(10,451)</b>    |  | <b>(9,512)</b> |
| <b>Non Current Assets</b>                 | <b>22,054</b>                     | <b>50,043</b>       | <b>72,097</b>           | <b>2,886</b>       |  | <b>74,983</b>  |

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

| <i>(in thousands of Canadian dollars)</i>                | Three months ended |                 |
|--|--------------------|-----------------|
|  | March 31, 2026     | March 31, 2025  |
| <b>EBITDA for continuing operations</b>                  | <b>315</b>         | <b>(9,512)</b>  |
| Depreciation & amortization                              | <b>(4,269)</b>     | (1,794)         |
| Interest and financing expenses                          | <b>(2,732)</b>     | (1,246)         |
| Income taxes (recovery) expense                          | <b>(161)</b>       | 243             |
| <b>Net loss for the period for continuing operations</b> | <b>(6,847)</b>     | <b>(12,309)</b> |

### Geographical Regions

| <i>(in thousands of Canadian dollars)</i> | Three months ended March 31, 2026 |                         |                |
|---|-----------------------------------|-------------------------|----------------|
|   | Canada                            | Australia & New Zealand | Total          |
| Revenue                                   | <b>4,875</b>                      | <b>28,332</b>           | <b>33,207</b>  |
| Non current assets                        | <b>44,804</b>                     | <b>173,159</b>          | <b>217,963</b> |

| <i>(in thousands of Canadian dollars)</i> | Three months ended March 31, 2025 |                         |         |
|---|-----------------------------------|-------------------------|---------|
|   | Canada                            | Australia & New Zealand | Total   |
| Revenue                                   | 4,330                             | 3,654                   | 7,984   |
| Non current assets                        | 83,518                            | 24,768                  | 108,286 |