



**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A") of the consolidated financial condition and results of operations of HEALWELL AI Inc. ("HEALWELL") and its subsidiaries (together with HEALWELL, the "Company") for the three and six months ended June 30, 2026 (the three month period, the "Reporting Period") and June 30, 2025 (the three-month period, the "Prior Period") and is provided as of August 6, 2026 (the "MD&A Date"). This MD&A should be read in conjunction with the condensed interim consolidated financial statements of the Company for the Reporting Period and the Prior Period and the notes thereto (the "Financial Statements"). The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34. All amounts presented in this MD&A are stated in thousands of Canadian dollars, unless otherwise indicated.

Additional information relating to the Company, including the Company's annual information form for the financial year ended December 31, 2025 (the "AIF") and the Company's other continuous disclosure materials, are available on the Company's SEDAR+ profile at www.sedarplus.com. Due to rounding, certain totals and subtotals may not foot and certain percentages may not reconcile exactly.

FORWARD-LOOKING STATEMENTS

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

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

NON-IFRS MEASURES

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

The term "EBITDA" refers to net income (loss) before interest, taxes, depreciation and amortization. Investors are cautioned that EBITDA should not be construed as an alternative to net income (loss) or cash flows from operating activities as an indicator of the Company's performance or cash flows. Management uses these measures, and believes that they are useful to investors, to assist in identifying underlying operating trends and to allow for a comparison of the Company's operating performance on a consistent basis, and to provide an indication of the results generated by the Company's main business activities before considering temporal and non-cash items that are not associated with ongoing operations. For a reconciliation of these measures, see "Operations for the Reporting Period - Reconciliation of Non-IFRS Measures - EBITDA".

The term "Adjusted EBITDA" refers to net income (loss) before interest, taxes, depreciation and amortization adjusting for acquisition related legal expenses, restructuring and integration costs, time-based earn-out expenses, share-based payment expenses, net finance charges, income/loss from investments and derivative liability, foreign exchange gain/loss, impairment charges, gains/losses on sublease contracts and fair value changes in contingent consideration. "Adjusted EBITDA Margin" refers to the percentage that Adjusted EBITDA for any period represents as a portion of total revenue for that period. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to net income (loss) or cash flows from operating activities as an indicator of the Company's performance or cash flows. Management uses these measures, and believes that they are useful to investors, to assist in identifying underlying operating trends and to allow for a comparison of the Company's operating performance on a consistent basis, and to provide an indication of the results generated by the Company's main business activities before considering temporal and non-cash items that are not associated with ongoing operations. Management also uses Adjusted EBITDA to measure the cash flow available to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. For a reconciliation of these measures, see "Operations for the Reporting Period - Reconciliation of Non-IFRS Measures - Adjusted EBITDA and Adjusted EBITDA Margin".

KEY PERFORMANCE INDICATORS

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

CORPORATE BACKGROUND

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

Prior to October 1, 2023, the Company's revenue consisted primarily of provincially funded medical consultations delivered through the Company's brick and mortar clinics. The Company also offered executive concierge medicine, technology enabled rare disease screening, clinical research and pulmonary function testing services. Beginning on October 1, 2023, HEALWELL transitioned its primary business to operating as a healthcare technology firm specializing in artificial intelligence and data science solutions for preventive care.

COMPANY OVERVIEW

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

To realize this mission, HEALWELL's corporate strategy and capital allocation program is focused on targeted organic investments and accretive mergers and acquisitions. The Company's capital allocation is centered around two principal synergistic business units:

- (i) Data Science & AI
- (ii) Healthcare Software

Data Science & AI

HEALWELL's Data Science & AI division develops and commercializes clinically oriented artificial intelligence solutions that transform complex, fragmented clinical data into actionable insights for healthcare providers, health systems, life sciences organizations and other healthcare stakeholders. The division is anchored by the Company's proprietary DARWEN™ platform, which is differentiated by access to unique real-world clinical training data that was ethically developed and trained in compliance with applicable data privacy requirements, extensive peer-reviewed validation, efficient task-specific models, deterministic and auditable outputs, and a common technology engine capable of supporting multiple product offerings. These attributes position DARWEN as a high-trust clinical AI platform designed to deliver scalable, explainable and commercially defensible AI solutions in healthcare.

The Company's Data Science & AI business currently operates across three principal go-to-markets: life sciences, public health systems, and WELL Health. Across these channels, HEALWELL offers a combination of productized recurring revenue solutions and AI-enabled services, with increasing alignment between its technology platform, commercialization strategy and broader software distribution footprint.

Within life sciences, the Company currently offers four primary AI-enabled products and services. The first is Patient ID for Care Optimization, sometimes referred to as clinical decision support, which uses AI to identify and risk-stratify patients who may be at elevated risk for certain rare diseases and chronic conditions. HEALWELL's disease coverage currently spans 123 diseases across 14 therapeutic areas, supporting earlier intervention by healthcare practitioners and more targeted care pathways. This offering can also generate aggregated, privacy-compliant insights that help life sciences customers better understand therapeutic gaps, disease trends and unmet patient needs.

The second offering is Patient ID for Clinical Trials, a newer AI-enabled service designed to identify high-fit patient cohorts for clinical research studies conducted by clinical research organizations (CROs). The Company believes this offering represents a growing opportunity as demand increases for more efficient, data-driven trial recruitment and patient identification.

The third offering is Real-World Evidence ("RWE"), through which the Company works with life sciences companies and healthcare institutions to generate high-value evidence and insights from real-world clinical data. These capabilities are intended to support a range of use cases, including regulatory support and label expansion, reimbursement and market access, health outcomes and evidence generation, post-market surveillance, and physician education. Through these engagements, HEALWELL helps customers identify treatment gaps, monitor safety and outcomes across patient populations, support payer and HTA submissions, and generate evidence to inform clinical practice and commercial strategy.

The fourth offering is Data Insights as a Service ("DlaaS"), a more recurring, subscription-oriented offering that provides aggregate analytics and longitudinal insights across de-identified or otherwise privacy-protected clinical datasets. DlaaS is designed to support research, planning and commercial decision-making, while also helping identify therapeutic gaps and uncover trends that may otherwise be difficult to detect in electronic medical records. For physicians and healthcare practitioners, these insights can provide clearer visibility into patterns across their clinic populations, including disease states that are often difficult to decipher from underlying clinical records, such as certain dermatological conditions. Of the four life sciences offerings, DlaaS is the most clearly recurring in nature, while the other three currently operate primarily as AI-enabled services with elements of repeat or recurring revenue over time.

Within public health systems, HEALWELL is increasingly productizing AI capabilities for deployment across its software carriage network, including Orion Health's installed base and broader interoperability footprint. In this channel, the Company is focused on commercializing its SMART series of AI products, comprised of SMART Search, SMART Summary, and SMART Identify.

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SMART Search is designed to help clinicians and care teams find the right information more efficiently across a patient's digital care record, including across connected environments such as EMRs, digital care records, and health information exchanges. SMART Summary is designed to generate grounded, traceable patient summaries from longitudinal clinical records in order to reduce chart review burden, improve provider efficiency, and support more informed clinical decision-making. SMART Identify applies AI-enabled algorithms with auditability back to source documentation, helping ensure clinical trust while identifying high-risk patients who may benefit from optimized care pathways or earlier intervention. Relative to the life sciences channel, these public health offerings are more productized and are expected to align more directly with recurring software-style revenue models over time.

Within WELL Health, the Company is pursuing a third AI go-to-market focused on the ethical and privacy-compliant mobilization of data to support AI-enabled use cases. Initially, this channel is focused on patient identification for clinical research and trial recruitment, including the identification of high-fit cohorts. Over time, the Company expects this channel to expand as its joint go-to-market offerings with WELL Health mature and additional use cases are commercialized.

A further component of the Company's Data Science & AI strategy is the integration of VeroSource's Data as a Service ("DaaS") capability. This capability strengthens the Company's ability to ingest, enrich, cleanse, govern and operationalize healthcare data in secure, multi-tenant environments, enabling customers to derive business intelligence and population-level insights while improving the AI processing readiness of the underlying data. HEALWELL is working to align its DaaS capability and DARWEN™ platform into a more unified architecture intended to support more accurate, auditable and scalable AI outputs. The Company believes this integrated approach will improve data quality and support stronger results from the DARWEN engine across its product portfolio.

Healthcare Software

HEALWELL's Healthcare Software division provides mission-critical healthcare technology infrastructure to enterprise customers globally, including health authorities, government agencies, healthcare systems and insurance-related organizations. This division includes Orion Health, Intrahealth, and VeroSource, excluding the standalone IaaS capability described in the Data Science & AI section above. Its software portfolio is centered on electronic health records, digital care records, digital front door capabilities and interoperability infrastructure that enable healthcare organizations to unify fragmented data into a single, longitudinal view of the patient. The division's software and data infrastructure form an important strategic foundation for HEALWELL's broader preventative care and AI strategy.

The Healthcare Software division generally secures business through enterprise procurement and RFP processes, with contracts often comprising an initial implementation phase followed by multi-year recurring SaaS, support and maintenance revenue. Because these products are deeply embedded in customer workflows and are central to the operation of healthcare environments, the division benefits from high switching costs, strong retention characteristics and long-duration customer relationships. The Company believes its ability to aggregate, normalize and operationalize healthcare data at scale is a core strategic advantage, particularly in regulated and interoperability-intensive markets.

In addition to its standalone software value proposition, the Healthcare Software division serves as the distribution and data-enablement layer for HEALWELL's AI products. Orion Health's and the broader software group's installed base provides a significant carriage network through which AI capabilities can be embedded, resold and operationalized. This allows HEALWELL to pair trusted interoperability and digital care infrastructure with validated AI applications that help customers search, summarize and identify high-risk patients within clinical workflows. The Company believes the combination of embedded healthcare software, deep interoperability and clinically oriented AI creates a differentiated platform for long-term growth across both software and AI-driven revenues.

WELL Health Strategic Alliance

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

HEALWELL AI Corporate Roadmap

Healthcare is vast and complex, and HEALWELL is focused on enabling healthcare systems to adopt preventative care through early detection and intervention, shifting the healthcare paradigm from reactive to proactive healthcare. HEALWELL's vision is to become a global leader in preventative care, and its corporate roadmap leads directly to a digital-first, AI-powered future of interconnected healthcare systems and technologies that empower both patients and healthcare providers. HEALWELL's ecosystem already includes or partners with many of the required technologies to enable this advanced, technology-enabled care model, from AI tools and products to EMR integration, diagnostics and insurance.

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

M&A Strategy

HEALWELL continues to execute on its strategy of targeting and acquiring technology and Data Science & AI expertise that complements its strategic roadmap. With the acquisition of Orion Health in April 2025, the Company's strategic focus has expanded to consider companies for partnership or acquisition that leverage Orion Health's Amadeus Digital Care Record ("DCR") and Virtuoso Digital Front Door ("DFD") global healthcare software platforms and the more than 70 customers, including large institutional clients, government agencies and health authorities, currently using them.

On December 1, 2023, HEALWELL acquired a majority interest in Pentavere Research Group Inc. ("Pentavere"), a Prix Galien award-winning healthcare AI company focused on early disease detection. Pentavere's DARWEN™ AI-driven technology helps identify patients for approved medications or interventions – finding patients that have fallen through the cracks. Pentavere has developed and validated AI capabilities in data structuring and abstraction, a key competency to unlocking clinical value for patients and providers, and a proven track record in commercialization of real-world evidence studies, adding 5 new pharma relationships to the HEALWELL ecosystem in 2025. In Q3 2025, the Company exercised its call option to acquire the remaining 49% of Pentavere, gaining full ownership of the developer behind the DARWEN™ AI-driven patient identification platform. With full control of Pentavere, HEALWELL is accelerating integration across its AI portfolio and expanding commercialization of its solutions into global healthcare systems.

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

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

On April 1, 2025, HEALWELL acquired 100% of the shares of Orion Health, a global market leader in healthcare interoperability and health data infrastructure environments at scale, delivering healthcare information intelligence through their advanced Virtuoso Digital Front Door (DFD) and Amadeus Digital Care Record (DCR) platforms. Orion Health has a unique ability to aggregate data from multiple sources and knit it together for healthcare practitioners to have seamless data flow across multiple complex health systems that benefits patients but also enables population data tools at scale. These software platforms have won Orion Health long-term contracts in some of the largest countries and regions globally. Australia and New Zealand, the NHS in the UK and North America are their strongest markets with Canada being their largest regional market.

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

OPERATIONS FOR THE REPORTING PERIOD

Operational Highlights (Q2 2026)

The Company's operational highlights during Q2 2026, included the following:

- (a) The Company continued execution of its strategy as a pure-play healthcare software, services and AI business by advancing the real-world evaluation, workflow integration and potential broader deployment of its DARWEN™-powered artificial intelligence solutions. This included:
 - (i) The successful completion of a multi-province pilot evaluating the Company's SMART Summary™ and SMART Search™ solutions across healthcare settings in British Columbia, Ontario and New Brunswick, within both the OSCAR Pro and Intrahealth Profile electronic medical record environments.
 - (ii) The pilot demonstrated how AI-generated, traceable patient summaries and search capabilities can reduce the burden associated with reviewing patient charts, improve access to relevant patient information and support more efficient clinical workflows through integration with existing clinical systems.
 - (iii) The results of the pilot were accepted for presentation at the 2026 Annual Symposium of the American Medical Informatics Association. Following completion of the pilot, the Company continued to explore opportunities to expand deployment of its SMART products across additional healthcare environments, including within the WELL Health ecosystem.
- (b) Revenue Changes: As shown in the table below, the Company's continuing operations within the Healthcare Software and Data Science & AI Sciences Segment was relatively unchanged for the three month period ending June 30, 2026 and increased 60% for the six month period ending June 30, 2026, compared to the same period in 2025. The year-to-date increase was primarily driven by significant growth in the Healthcare Software segment following the acquisition of Orion Health, which closed on April 1, 2025.

Growth in the Healthcare Software segment during the second quarter was partially offset by lower revenue growth within the Data Science & AI ("DS&AI") segment. Revenue within the DS&AI segment during the first half of 2026 was primarily generated from the Life Sciences and VeroSource's Data as a Service ("DaaS") components. Revenue from these components is largely derived from project-based arrangements, resulting in variability in the timing of revenue recognition between reporting periods. The year-over-year comparison was also impacted by the divestiture of Mutuo, which was completed on November 1, 2025.

During the first half of 2026, the Company introduced the Public Health Systems component of its DS&AI strategy by beginning deployment of AI capabilities across its software carriage network, including Orion Health's installed base and broader interoperability footprint. This also reflects a pivot towards larger, enterprise grade deals which typically involve longer sales and implementation cycles but have the potential to generate greater long-term revenue opportunities. The Company generated initial revenue from this component during the period; however, continued investment is required to complete commercialization and expand deployment of its AI product suite across the Orion Health customer base. Management believes this initiative positions the Company to expand AI-enabled revenue opportunities across its existing customer base as commercialization and customer adoption continue.

	Three months ended June 30,		Period-Over-Period Change	
	2026	2025	\$	%
Healthcare Software	30,956	30,475	481	2 %
Data Science & AI	2,002	2,774	(772)	(28)%
Total	32,958	33,249	(291)	(1)%

	Six months ended June 30,		Period-Over-Period Change	
	2026	2025	\$	%
Healthcare Software	61,587	36,151	25,436	70 %
Data Science & AI	4,578	5,082	(504)	(10)%
Total	66,165	41,233	24,932	60 %

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Results of Operations

A summary of the financial results of the Company's operations during the three and six months ended June 30, 2026, and June 30, 2025 is as follows.

	Three months ended June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	2025	\$	%	2026	2025	\$	%
Revenue	32,958	33,249	(291)	(1)%	66,165	41,233	24,932	60 %
Cost of Sales	15,034	14,523	511	4 %	28,739	18,075	10,664	59 %
Gross Profit	17,924	18,726	(802)	(4)%	37,426	23,158	14,268	62 %
Operating Expenses								
General and administrative	8,585	7,861	724	9 %	18,211	14,843	3,368	23 %
Research and development	5,211	5,768	(557)	(10)%	10,883	7,416	3,467	47 %
Sales and marketing	3,188	2,784	404	15 %	6,129	3,274	2,855	87 %
Stock compensation	2,111	3,654	(1,543)	(42)%	4,090	7,020	(2,930)	(42)%
Amortization of intangible assets	4,221	5,557	(1,336)	(24)%	8,473	7,299	1,174	16 %
Depreciation of property equipment	152	220	(68)	(31)%	169	273	(104)	(38)%
Depreciation of ROU assets	639	519	120	23 %	1,461	544	917	169 %
Total Operating Expenses	24,107	26,363	(2,256)	(9)%	49,416	40,669	8,747	22 %
Loss from Operations	(6,183)	(7,637)	1,454	19 %	(11,990)	(17,511)	5,521	32 %
Other Income and Expenses								
Financing expenses	3,327	1,735	1,592	92 %	6,159	2,982	3,177	107 %
Effect of foreign exchange rate	(471)	(1,285)	814	63 %	(55)	(1,283)	1,228	96 %
Changes in FMV of Contingent Consideration, Investments and Options	(16,236)	232	(16,468)	(7098)%	(17,033)	1,641	(18,674)	(1138)%
Changes in FV of derivative liability	(104)	(3,326)	3,222	97 %	(1,679)	(3,326)	1,647	50 %
Current and Deferred Taxes	905	(925)	1,830	198 %	1,066	(1,168)	2,234	191 %
Net loss from continuing operations	6,396	(4,068)	10,464	257 %	(448)	(16,357)	15,909	97 %
Net loss from discontinued operations	—	(47)	47	100 %	—	(1,817)	1,817	100 %
Net income (loss) for the period	6,396	(4,115)	10,511	255 %	(448)	(18,174)	17,726	98 %
EBITDA¹	14,940	2,418	12,522	518 %	15,251	(7,082)	22,333	315 %
ADJUSTED EBITDA¹	1,141	2,331	(1,190)	(51)%	1,872	70	1,802	2574 %
Subscription, Support and Maintenance Revenue	22,028	21,082	946	4 %	43,402	24,685	18,717	76 %

Comparison of the three and six months ended June 30, 2026 and June 30, 2025.

¹ EBITDA and Adjusted EBITDA are non-IFRS financial measures and do not have any standardized meaning under IFRS Accounting Standards. These measures may not be comparable to similar measures used by other issuers. See "Non-IFRS Measures".

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Revenue

Total revenue from continuing operations for three and six months ended June 30, 2026, was \$32,958 and \$66,165, a change of \$(291) ((1%)) and \$24,932 (60%) compared to the total revenue of \$33,249 and \$41,233 in the comparable periods in 2025. The Company's Subscription, Support and Maintenance revenue increased \$946 (4%) during the three months period ending June 30, 2026, compared to the same period in 2025. This revenue stream made up 67% of the Company's total revenue in the Reporting Period and consists primarily of recurring renewal contracts with both public and private customers in the public health and life sciences verticals. The Company will remain focused on expanding this revenue stream in both the Healthcare Software and Data Science & AI segments. Professional Services revenue growth for the three and six months ended June 30, 2026 has been attributed to both organic and inorganic (i.e. M&A activity) revenue growth from each of the operating segments.

Revenue	Three months ended June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	2025	\$	%	2026	2025	\$	%
Subscription, Support and Maintenance	22,028	21,082	946	4 %	43,402	24,685	18,717	76 %
Professional Services	10,639	11,673	(1,034)	(9)%	22,161	15,637	6,524	42 %
Software License	291	494	(203)	(41)%	602	911	(309)	(34)%
Total Revenue	32,958	33,249	(291)	(1)%	66,165	41,233	24,932	60 %

Data Science & AI: As shown in the table below, the Company's Data Science & AI revenue for three and six months ended June 30, 2026, was \$2,002 and \$4,578, a change of \$(772) ((28%)) and \$(504) ((10%)) over the revenue of \$2,774 and \$5,082 recognized in the comparable periods in 2025.

Revenue for the first half of 2026 was primarily generated from the Company's Life Sciences, DaaS and SaaS components. Revenue from the Life Sciences and SaaS components is primarily derived from fixed-price projects. Although these projects are re-occurring in nature, the timing of project delivery and satisfaction of performance obligations can result in variability in the timing of revenue recognition between reporting periods. In addition to this, the year-over-year comparison was also impacted by the divestiture of Mutuo, which was completed on November 1, 2025.

During the first half of 2026, the Company began deploying AI capabilities across its software carriage network, including the Orion Health installed base. While these deployments have not yet generated material revenue, they represent an important milestone in the commercialization of the Company's AI offerings. Management believes that broader customer adoption of these capabilities across the Company's software carriage network will support future growth in the Health Systems and SaaS components. The timing and extent of such growth will depend on the pace of customer adoption and commercialization.

Data Science & AI	Three months ended June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	2025	\$	%	2026	2025	\$	%
Subscription, Support and Maintenance	531	479	52	11 %	991	922	69	7 %
Professional Services	1,471	2,295	(824)	(36)%	3,587	4,160	(573)	(14)%
Software License	—	—	—	0 %	—	—	—	0 %
Total Revenue	2,002	2,774	(772)	(28)%	4,578	5,082	(504)	(10)%

Healthcare Software: As shown in the table below, the Company's Healthcare Software revenue for the three and six months ended June 30, 2026, was \$30,956 and \$61,587, a change of \$481 (2%) and \$25,436 (70%) over the Healthcare Software revenue of \$30,475 and \$36,151 recognized in the comparable periods in 2025. The year-to-date increase was primarily driven by the acquisition of Orion Health, which closed on April 1, 2025.

As shown in the table below, Subscription, Support and Maintenance revenue increased 4% for the three months ended June 30, 2026 compared to the corresponding period in 2025. The increase was driven by expansion within the existing customer base and the addition of new customers, and represented 69% of total Healthcare Software revenue during the quarter, reflecting the continued growth of the Company's recurring revenue base.

Professional Services revenue is primarily generated from implementation, integration and other consulting services associated with new customer deployments and expansion projects. As a result, Professional Services revenue is expected to fluctuate between reporting periods due to the timing of customer implementations, project deliveries and the satisfaction of performance obligations.

Healthcare Software	Three months ended June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	2025	\$	%	2026	2025	\$	%
Subscription, Support and Maintenance	21,497	20,603	894	4 %	42,411	23,763	18,648	78 %
Professional Services	9,168	9,378	(210)	(2)%	18,574	11,477	7,097	62 %
Software License	291	494	(203)	(41)%	602	911	(309)	(34)%
Total Revenue	30,956	30,475	481	2 %	61,587	36,151	25,436	70 %

Cost of Revenue

Cost of revenue from continuing operations for the three and six months ended June 30, 2026, was \$15,034 and \$28,739 , a change of \$511 (4%) and \$10,664 (59%) over the cost of revenue of \$14,523 and \$18,075 recognized in the comparable periods in 2025.

The Company's cost of revenue represents the following:

- (i) Direct costs to deliver, deploy, and support the Company's Data Science & AI and Healthcare Software solutions to customers.
- (ii) Indirect technology costs incurred to deploy and support the ongoing use of the Company's Data Science & AI and Healthcare Software solutions.

The increase in the QTD cost of revenue was driven primarily by the acquisition of Orion Health on April 1, 2025.

Gross Profit Margin

As shown in the table below, the total gross profit margin from continuing operations for the three and six months ended June 30, 2026, was \$17,924 and \$37,426, a change of \$(802) ((4)%) and \$14,268 (62%) over the gross profit margin of \$18,726 and \$23,158 recognized in the comparable periods in 2025.

The Healthcare Software segment continued to generate stable gross margins, with some variability between reporting periods. Gross margin for the three months ended June 30, 2026 was 55%, consistent with the comparable period in 2025. The segment continued to benefit from the scale of the business, including contributions from recent acquisitions, together with a growing proportion of recurring Subscription, Support and Maintenance revenue, which supported overall margin performance.

The Data Science & AI ("DS&AI") segment experienced lower gross margins compared to the prior year. Gross margin for the three and six months ended June 30, 2026 was 41% and 55%, respectively, compared to 69% and 67% for the corresponding periods in 2025. The decline primarily reflects the mix of revenue recognized during the period, with the majority of second quarter revenue generated from the Company's Life Sciences component. The timing and mix of project activity, including the level of professional services effort required and third-party project costs to deliver fixed-price projects and, can result in variability in gross margins between reporting periods.

During the first half of 2026, the Company also continued the commercialization of its Public Health Systems and DaaS AI offerings. As these higher-value, more scalable AI offerings become a larger proportion of the segment's revenue mix through continued commercialization and customer adoption, management believes they have the potential to support more stable and improved gross margins over time. The timing and extent of any improvement will depend on the pace of customer adoption, commercialization and the overall mix of revenue generated within the segment.

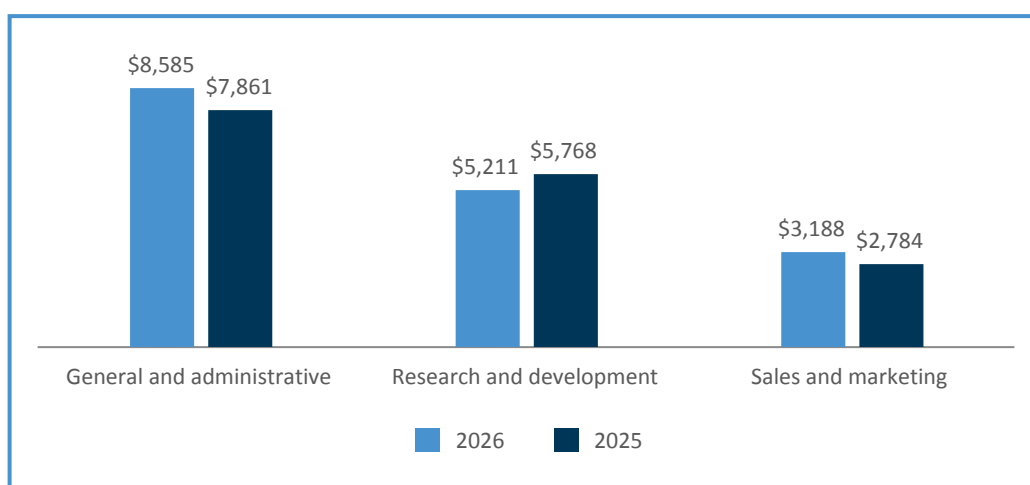
	Three months ended June 30, 2026			Six months ended June 30, 2026		
	Data Science & AI	Healthcare Software	Total	Data Science & AI	Healthcare Software	Total
Revenue	2,002	30,956	32,958	4,578	61,587	66,165
Cost of revenue	1,179	13,855	15,034	2,063	26,676	28,739
Gross Margin	823	17,101	17,924	2,515	34,911	37,426
Gross Margin %	41%	55%	54%	55%	57%	57%

	Three months ended June 30, 2025			Six months ended June 30, 2025		
	Data Science & AI	Healthcare Software	Total	Data Science & AI	Healthcare Software	Total
Revenue	2,774	30,475	33,249	5,082	36,151	41,233
Cost of revenue	863	13,660	14,523	1,695	16,380	18,075
Gross Margin	1,911	16,815	18,726	3,387	19,771	23,158
Gross Margin %	69%	55%	56%	67%	55%	56%

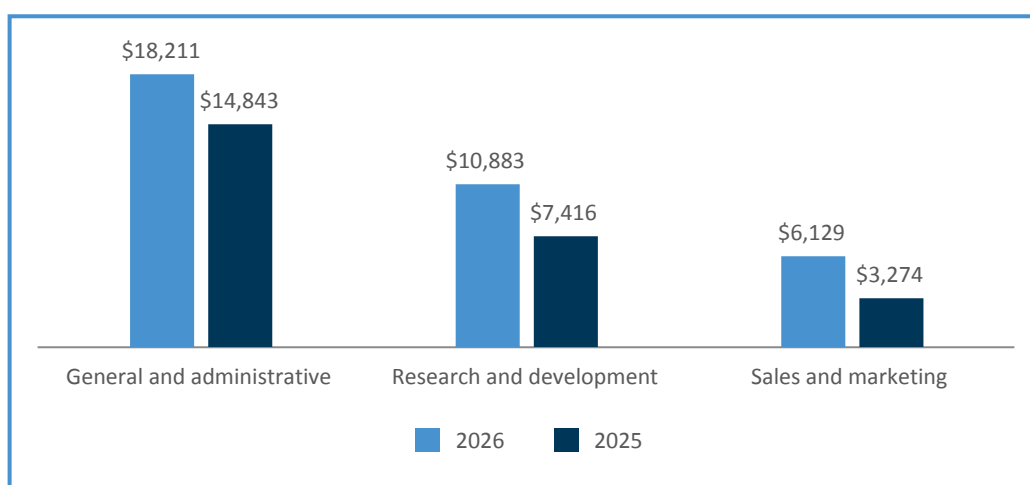
Operating Expenses

Total operating expenses from continuing operations for the three and six months ended June 30, 2026, was \$24,107 and \$49,416, a change of \$(2,256) ((9)%) and \$8,747 (22%) over the total operating expenses of \$26,363 and \$40,669 in the comparable periods in 2025. The reasons for the change in operating expenses are described in greater detail under each category of expenses set out below.

Expenses for the three months ended June 30, 2026 and 2025



Expenses for the Six months ended June 30, 2026 and 2025



Research and Development Expenses: Research and development (“R&D”) expenses from continuing operations for the three and six months ended June 30, 2026, were \$5,211 and \$10,883, a change of \$(557) ((10)%) and \$3,467 (47%) over the research and development expenses of \$5,768 and \$7,416 recognized in the comparable periods in 2025. The year over year increase in R&D expenses relates to the acquisition of Orion Health, which occurred on April 1, 2025. The nature of the R&D expenditures relates primarily to investments the Company is making to expand the features, accessibility, and functionality of the software and solutions in both the Healthcare Software and Data Science & AI divisions of the business.

During the six months ended June 30, 2026, the Company capitalized \$3,120 of R&D expenses (six months ended June 30, 2025 – \$1,138).

Sales and Marketing Expenses: Sales and marketing expenses from continuing operations for the three and six months ended June 30, 2026, were \$3,188 and \$6,129, a change of \$404 (15%) and \$2,855 (87%) over the sales and marketing expenses of \$2,784 and \$3,274 recognized in the comparable periods in 2025. The increase in these expenses relate primarily to the acquisition of Orion Health, which occurred on April 1, 2025.

A significant portion of these expenditures reflect a strategic investment in global brand positioning and demand generation activities across the Healthcare Software and Data Science & AI sectors. These include sponsorship, exhibit, and delegate costs at international, national and regional conferences. These events serve as key platforms to engage healthcare providers, payers, government agencies, and industry partners, and to showcase the Company's suite of AI-driven digital health products.

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

General and Administrative Expenses: General and administrative (“G&A”) expenses from continuing operations for the three and six months ended June 30, 2026, were \$8,585 and \$18,211, a change of \$724 (9%) and \$3,368 (23%), over the general and administrative expenses of \$7,861 and \$14,843 recognized in the comparable periods in 2025. As a percentage of revenue, general and administrative expenses were 26% and 28% for the three and six months ended June 30, 2026, compared to 24% and 36%, in the comparable periods in 2025.

Depreciation and Amortization

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

Depreciation and amortization for the three and six months ending June 30, 2026, was \$5,012 and \$10,103, a change of \$(1,284) ((20)%) and \$1,987 (24%) over the depreciation and amortization of \$6,296 and \$8,116 recognized in the comparable periods in 2025.

The increase is primarily attributable to the amortization expense recorded from acquired intangible assets since Q3 2024, together with the higher depreciation of right-of-use assets following the addition of new premise leases. The estimated use-lives of these assets range from 5-10 years.

Share-based Compensation

Share based compensation (“SBC”) expense for the three and six months ending June 30, 2026 was \$2,111 and \$4,090, a change of \$(1,543) ((42)%) and \$(2,930) ((42)%) over the SBC expense of \$3,654 and \$7,020 recognized in the comparable periods in 2025. The decrease in year-over-year expense is primarily attributable to elevated expense recognized in the first half of 2025, when an elevated volume of equity awards were granted in connection with the acquisition of Orion Health and the associated expansion of the Company's senior leadership team and employee base; those awards carried multiple vesting tranches and front-loaded expense recognition. By contrast, SBC expense in 2026 reflects the continued straight-line vesting of previously granted awards at a lower run-rate; no new awards were granted in the first quarter of 2026, and the awards granted in the second quarter of 2026 contributed only a modest amount of incremental expense in the period.

Business acquisition and related costs

Business acquisition costs for the three and six months ending June 30, 2026 was \$366 and \$366, a change of \$163 (80%) and \$(2,267) ((86)%) over the business acquisition costs of \$203 and 2,633 recognized in the comparable periods in 2025. The costs incurred in the prior periods related to transaction and financing costs associated with the acquisition of Orion Health, which was completed on April 1, 2025.

Restructuring, and integration costs

Restructuring and integration costs for the three and six months ending June 30, 2026 was \$535 and \$932, a change of \$100 (23%) and \$465 (100%) over the, restructuring and integration costs of \$435 and \$467 recognized in the comparable periods in 2025. The year over year increase was primarily attributable to \$798 severance costs incurred as part of restructuring initiatives, as well as \$(333) of integration-related costs associated with the acquisition of Orion.

Finance Cost

Finance charges for three and six months ended June 30, 2026, were \$3,327 and \$6,159, a change of \$1,592 (92%) and \$3,177 (107%) over the finance costs of \$1,735 and \$2,982 recognized in the comparable periods in 2025. The increase in finance costs primarily relates to interest on the debentures issued during 2025 in connection with the Orion Health acquisition and interest accretion on contingent consideration liabilities, partially offset by lower interest, bank charges and fees.

Net income/loss and income/loss per share

The Company reported a net income (loss) from continuing operations for three and six months ended June 30, 2026, of \$6,396 and \$448 or \$0.02 and \$— per share (basic and diluted), compared to a net loss of \$4,068 and \$16,357, or \$0.02 and \$0.07 per share (basic and diluted), for the comparable period in 2025. Profits (losses) from continuing operations for the three and six months ended June 30, 2026 were primarily driven by increased operating expenses associated with business expansion, including higher general and administrative, research and development, and sales and marketing costs, as well as increased amortization of intangible assets related to the Orion Health acquisition in April 2025. In addition, higher financing costs and changes in the fair value of derivative liabilities contributed to the net loss for the period.

Adjusted EBITDA

Adjusted EBITDA from continuing operations for the three and six months ended June 30, 2026, was \$1,141 and \$1,872, a change of \$1,190 ((51)%) and \$1,802 (2574%), over the Adjusted EBITDA income of \$2,331 and \$70 recognized in the comparable period in 2025. Adjusted EBITDA Margin was 3.5% and 2.8% in the three and six months ended June 30, 2026, compared to Adjusted EBITDA Margin income of 7.0% and 0.2% and in the comparable period in 2025. The improvement in Adjusted EBITDA margins during the Reporting Period is attributable to the Orion Health acquisition and improved performance across HEALWELL operating segments.

RECONCILIATION OF NON-IFRS MEASURES

EBITDA

A reconciliation of the non-IFRS measure EBITDA to net income (loss) for the three and six months ended June 30, 2026, and June 30, 2025, is set out below for continuing operations:

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Net income (loss)	6,396	(4,068)	(448)	(16,357)
Add: Financing expenses	3,327	1,735	6,159	2,982
Add: Depreciation of property equipment	152	220	169	273
Add: Amortization of intangible assets	4,221	5,557	8,473	7,299
Less: Lease interest and bank charges retained in EBITDA	(61)	(101)	(168)	(111)
Add: Current and deferred taxes	905	(925)	1,066	(1,168)
EBITDA	14,940	2,418	15,251	(7,082)

Adjusted EBITDA

A reconciliation of the non-IFRS measure Adjusted EBITDA to net income (loss) for the three and six months ended June 30, 2026, and June 30, 2025, is set out below for continuing operations:

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
EBITDA	14,940	2,418	15,251	(7,082)
Add: Restructuring and Integration cost	535	435	932	467
Add: Effect of foreign exchange rate	(471)	(1,285)	(55)	(1,283)
Add: Changes in FMV of Contingent Consideration, Investments Options	(16,340)	(3,094)	(18,712)	(1,685)
Add: Stock compensation	2,111	3,654	4,090	7,020
Add: Acquisition related expenses	366	203	366	2,633
Adjusted EBITDA	1,141	2,331	1,872	70
Adjusted EBITDA Margin %	3.5%	7.0%	2.8%	0.2%

Adjusted EBITDA for the three months ended June 30, 2026 was \$1,141, compared to \$2,331 for the comparable period in 2025.

SUMMARY OF QUARTERLY RESULTS: CONTINUING OPERATIONS

	June 30, 2026	March 31, 2026	Dec 31, 2025	Sep 30, 2025	June 30, 2025	March 31, 2025	Dec 31, 2024	Sep 30, 2024
Revenue	32,958	33,207	32,216	30,354	33,249	7,984	6,794	6,688
Net income (loss)	6,396	(6,844)	(6,195)	(15,998)	(4,136)	(12,007)	(13,658)	(8,188)
Weighted average number of shares								
Basic and diluted (in thousands) ¹	300,479	294,361	290,893	275,334	264,874	171,905	135,561	124,612
Net income (loss) per share								
Basic and diluted	0.02	(0.02)	(0.02)	(0.06)	(0.02)	(0.07)	(0.10)	(0.07)

The most material changes to the financial performance the Company over the past 2 years relate primarily to the M&A activity conducted through this period. Leading up to the closing of the Orion Health acquisition on April 1, 2025, the Company incurred significant financing and transaction costs, which contributed to the net loss in the periods of December 31, 2024 and March 31, 2025. Once the Orion Health acquisition closed, it became a key driver of the increase in revenue from March 31, 2025 to June 30, 2025. The VeroSource acquisition closed on July 1, 2024, which resulted in the increased in revenue from June 30, 2024 to September 30, 2024. Both acquisitions contributed a material amount of Subscription, Support and Maintenance revenue, which recurs quarter-over-quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at the end of the June 30, 2026, the Company held cash of \$16,784, as compared to cash of \$19,076 as at June 30, 2025. The decrease in the cash balance primarily reflects debt servicing and lease payments (\$3,803 used in financing activities) and investments in intangible assets, partially offset by cash generated from operating activities of \$4,496 during the six months ended June 30, 2026.

	Six months ended		
	June 30, 2026	June 30, 2025	Change
Net loss	(448)	(18,174)	17,726
Items not affecting cash	(713)	12,961	(13,674)
Cash from operations before changes in working capital	(1,161)	(5,213)	4,052
Net change in Non-cash working capital	5,657	(4,656)	10,313
Net cash flows generated in (used in) operating activities from discontinued operations	—	241	(241)
Cash generated in (used in) operating activities	4,496	(9,628)	14,124

Cash from operations before changes in working capital for the six months ended June 30, 2026 was \$(1,161), a change of \$4,052 (78%) over the cash from operations of \$(5,213) for the comparable period in 2025. The improvement in operating cash flows relates to the impact of the Orion Health acquisition, the strategic divestiture of the Clinical Operations segment in Q4 2025, and realized operating efficiencies across the organization.

CASH USED IN INVESTING ACTIVITIES

	Six months ended		
	June 30, 2026	June 30, 2025	Change
Cash used in investing activities	(2,825)	(73,588)	70,763

Cash used in investing activities in H1 2026 relates primarily to the purchase of intangible assets of \$3,120 which was offset by proceeds of \$648 received from WELL in respect of the Mutuo holdback associated with the November 2025 disposition. The investing activities for H1 2025 relate to the acquisition of the Orion Health business.

¹ The Company has amended the weighted average number of shares calculation in Q4 2024, which has changed the reported weighted average number of shares in Q3 2024

CASH GENERATED IN FINANCING ACTIVITIES

	Six months ended		
	June 30, 2026	June 30, 2025	Change
Cash (used in) generated in financing activities	(3,803)	92,236	(96,039)

The Company used \$3,803 in financing activities during the six months ended June 30, 2026, comprised primarily of the \$1,500 coupon payment on the convertible debentures, lease payments of \$1,505, and scheduled loan repayments of \$606. In H1 2025, the Company generated \$92,236 from financing activities, raising net proceeds from the issuance of shares \$23,595, the Scotiabank credit facility (\$43,833, net of issuance costs), and convertible debentures (\$27,182, net of expenses), primarily to fund the acquisition of Orion Health.

CAPITAL MANAGEMENT

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

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

CONTRACTUAL OBLIGATIONS

As at the end of the Reporting Period, the Company's contractual obligations are primarily comprised of loan payables, debentures, contingent consideration associated with prior acquisitions, accounts payable and accrued liabilities, and lease commitments, with the majority of obligations due within two to five years.

<i>(in thousands of Canadian dollars)</i>	June 30, 2026		
	< 1 year	2 – 5 years	Over 5 years
Lease payments	1,791	945	466
Accounts payable and accrued liabilities	30,225	—	—
Loan payable	1,762	47,530	—
Related party loan	6,011	6,432	—
Derivative liability	1,435	—	—
Debenture payable	—	30,955	—
Liability for contingent consideration	8,701	23,016	16,055
	49,925	108,878	16,521

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

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

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

- WELL Health Technologies Corp. (WELL) – has common directorship with the Company and is a significant/controllering shareholder of the Company.

- HEALWELL management and board members.
- McCrae Tech – related party due to its association with the Orion Health acquisition and the involvement of Ian McCrae, who has served on the Board of Directors of the Company and who, together with the entities he controls, is a significant shareholder of the Company.

a) Related party balance

<i>(in thousands of Canadian dollars)</i>	June 30, 2026	December 31, 2025
WELL Health Technologies Corp		
Operating loan payable	4,685	2,795
Deferred Consideration - Intrahealth	642	642
Convertible principal promissory note including accrued interest	5,900	5,700
Holdback – Intrahealth	606	606
Related parties of Intrahealth		
Operating loan payable	78	260
Management and Board members		
2023 Debenture payable	532	483
Total	12,443	10,486
Total current portion	(6,011)	(4,303)
Non-current portion payables	6,432	6,183
Receivables		
Holdback – MCI Alberta	150	150
Holdback – Mutuo	—	616
Earnout receivable – Clinical research and patient services	160	160
Operating loan receivable - current	25	343
Other related parties - Healwell	48	48
Receivable from financial asset	1,100	—
Total receivables	1,483	1,317

The total related party payables increased from \$10,486 as at December 31, 2025 to \$12,443 on June 30, 2026 primarily due to Transition Services Agreement charges from WELL, including IT recharges and management fees incurred during the six months ended June 30, 2026

b) Related party transactions

<i>(in thousands of Canadian dollars)</i>	Six months ended June 30, 2026	June 30, 2025
WELL Health Technologies Corp.		
Transition services	942	829
Revenue from related parties	(325)	—
Interest on debentures	—	201
Interest on promissory notes	200	200
Management and Board members		
Interest on debentures payable	49	59
Transition services	394	(403)

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

The convertible debentures issued on October 1, 2023 (the "2023 Debentures") bear interest at a rate of 10% per annum and mature 5 years from their date of issue. The principal and interest outstanding under the 2023 Debentures are convertible into Subordinate Voting Shares at \$0.20/share. For every \$1 of 2023 Debentures purchased, subscribers also received 5 warrants for Subordinate Voting Shares exercisable at \$0.20/share (Note 15).

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

PROPOSED TRANSACTIONS

As at the end of the Reporting Period there were no proposed transactions.

LOAN AND DEBENTURE PAYABLE

As at June 30, 2026, the Company had outstanding loan balances in the aggregate amount of \$49,292 and was in compliance with all loan covenants. This includes \$836 under a Fed Dev loan, \$594 under a BDC loan, and \$47,862 under a Scotiabank loan facility. The Scotiabank loan was drawn during the year ended December 31, 2025, while the FedDev and BDC loans reflect balances carried forward from prior periods, adjusted for accretion, repayments, and in the case of the Scotiabank loan, amortization of financing fees. Total repayments during the six months ended June 30, 2026 amounted to \$702.

As at June 30, 2026, the Company had total debenture payables of \$19,835, compared to \$20,155 as at December 31, 2025. During the six months ended June 30, 2026, the Company recorded \$2,561 in accrued interest. Debentures totaling \$1,332 were converted into Subordinate Voting Shares during the same period. The total liability component of the debentures as at June 30, 2026, was \$20,367, of which \$532 was reclassified to debentures payable to management and board members.

12-Month Debt Obligations/Commitments

Healwell Debt obligations due in the next 12 months <i>(in thousands of Canadian dollars)</i>	Settled In Cash	Settled in Shares (Debtholder Option)	Total
Debenture payable	—	19,421	19,421
Derivative liability	—	1,435	1,435
Loan payable	1,762	—	1,762
	1,762	20,856	22,618

On January 28, 2025, the Company issued \$30,000 of debentures that mature on December 31, 2029 (the "2025 Debentures"). IFRS requires the Company to measure the 2025 Debenture at fair market value at the end of each reporting period. The FMV of this debenture and derivative liability at June 30, 2026 was \$1,435. Given that the holders have the right to convert the debt into Subordinating Voting Shares at any time after issuance, IFRS requires the debentures and related derivative liability to be classified as current liabilities. The table above was produced to illustrate the cash obligations associated with HEALWELL's long term debt commitments in the next 12 months.

The Company has \$1,762 of debt (relating to the BDC and Scotiabank loan facilities) that will be settled in cash within the next 12 months.

FINANCIAL RISK MANAGEMENT

In the normal course of its business, the Company engages in operating and financing activities that generate risks. Management identifies, evaluates, and monitors these risks through established policies approved by the Board of Directors. The key risks are identified in the following primary areas:

a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages this risk by managing its working capital and ensuring that sufficient credit is available. The following are the contractual maturities of financial liabilities based on undiscounted cash flows as at June 30, 2026.

<i>(in thousands of Canadian dollars)</i>	June 30, 2026		
	< 1 year	2 – 5 years	Over 5 years
Lease payments	1,791	945	466
Accounts payable and accrued liabilities	30,225	—	—
Loan payable	1,762	47,530	—
Related party loan	6,011	6,432	—
Derivative liability	1,435	—	—
Debenture payable	—	30,955	—
Liability for contingent consideration	8,701	23,016	16,055
	49,925	108,878	16,521

The Company's cash balance was \$16,784 as at June 30, 2026 compared to \$18,634 as at December 31, 2025.

The Company expects to be able to meet its obligations as they become due in the normal course of business for at least the next twelve months from June 30, 2026.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Company's main credit risks relate to its accounts receivable 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.

c) Market Risk

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

Foreign Currency Risk

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

As at June 30, 2026, the Company had foreign currency exposure primarily in GBP, USD, EUR, NZD, AED and AUD, with the largest net exposures being GBP (\$5,643 CAD) and USD (\$9,113 CAD). A 10% strengthening of the Canadian dollar against these currencies would have a (\$513) and (\$828) impact on profit or loss. A 10% weakening of the Canadian dollar against these currencies would have a \$627 and \$1,013 impact on profit or loss. The Company monitors this risk due to its international operations and financial assets and liabilities denominated in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk with respect to its credit facilities. At June 30, 2026 the amounts outstanding are as follows: \$47,862 (December 31, 2025 - \$48,251) from the Scotiabank credit facility, \$836 (December 31, 2025 - \$916) from the FedDev credit facility and \$594 (December 31, 2025 - \$654) from the BDC credit facility.

If interest rates increased/decreased by 50 basis points and all other variables were held constant, the Company's net loss for the six months ended June 30, 2026, would have increased/decreased by \$121 (December 31, 2025 - \$249).

d) Fair Value

Financial assets and liabilities recognized or disclosed at fair value are classified in the fair value hierarchy based upon the nature of the inputs used in the determination of fair value. The levels of the fair value hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

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

As at Asset/(Liability) (in thousands of Canadian dollars)	Level 1	Level 2	Level 3	June 30, 2026 Total
Investment in equity securities and financial asset	—	—	26,691	26,691
Loan payable	—	(49,292)	—	(49,292)
Derivative liability	—	—	(1,435)	(1,435)
Contingent consideration	—	—	(31,229)	(31,229)

As at Asset/(Liability) (in thousands of Canadian dollars)	Level 1	Level 2	Level 3	December 31, 2025 Total
Investment in equity securities and financial asset	—	—	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 asset	Market approach using comparable market data, adjusted for the investee's financial performance, market conditions, and differences in unit rights and transferability
Contingent consideration	Discounted cash flow method based upon the probability adjusted revenue of Orion Health and VeroSource, and the Company share price.
Loan payable	The fair value was determined using a discounted cash flow model based on the loan's contractual cash flows discounted at the effective interest rate, which reflects observable market interest rates for similar instruments with comparable terms and credit risk at initial recognition.
Call options	Black Scholes method, interest rates, volatility, dividend yield, Monte Carlo simulation, business plan parameters.
Derivative liability	Derivative liability is measured at fair value using a 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 June 30, 2026 (December 31, 2025 - nil) between any levels within the fair value hierarchy.

KEY RISK FACTORS

The Company is exposed to a number of risk factors that could have a material impact on its financial condition, operations and performance. A summary of some of the most material risk factors that may affect the Company as of the MD&A Date are set out below. For a more detailed discussion of risk factors relevant to the Company, please refer to "Risk Factors" in the Company's AIF, available on the Company's SEDAR+ profile at www.sedarplus.com.

Healthcare Technology Services

The Company's reliance on healthcare technology services may expose it to risk if efforts to expand or diversify its product offerings fail to generate expected revenue. New products or services may not attract or retain clients, may face technological, regulatory, or operational challenges, and could result in service issues or losses on investments. These factors could harm the Company's reputation, limit growth, and negatively impact its business, financial condition, and results of operations.

Inability to Keep Pace with Rapid Technological and Industry Changes

The Company operates in a rapidly evolving healthcare technology market, where constant innovation and adaptation are critical. Failure to keep pace with technological advances, changing client needs, or industry standards could make its services less competitive or obsolete. Development delays, unsuccessful new offerings, or loss of access to third-party technologies could hinder growth, reduce revenue, and materially impact the Company's business, financial condition, and results of operations.

Risks Related to International Expansion and New Market Entry

The Company's expansion beyond Canada – into the United States, Australia, New Zealand and other global markets – could expose it to significant challenges. Entering new regions requires substantial investment and time, and success is uncertain due to limited brand recognition, differing market conditions, and regulatory complexities. The Company also faces risks related to managing cross-border operations, protecting intellectual property, adapting to diverse healthcare policies, and navigating political, cultural, and currency differences. Failure to effectively expand or operate internationally could hinder the Company's growth and profitability.

As the Company increases its business exposure to emerging markets, additional risks may arise which may increase the cost and complexity of the Company's operations, including increased exposure to political, economic and social instability, regional conflicts, terrorism or security incidents, changes in government leadership or policy priorities and evolving regulatory environments. The Company may also increasingly need to rely on local partners, distributors, system integrators and/or government-related entities to support commercialization, implementation and ongoing delivery of its products and services in such markets, over which the Company may have limited control and against which the Company may have limited recourse, exposing the Company to potential reputational risks and unrecoverable losses.

Dependence on Client Retention and Acquisition for Growth

The Company's growth and profitability rely on retaining existing clients, expanding services to them, and attracting new clients amid strong competition. Client attrition or resistance from potential clients to switch providers could reduce revenue. Failure to maintain or grow its client base could materially and adversely affect the Company's business, financial condition, and results of operations.

Reliance on Contracts with Government and Public Sector Customers

The Company provides certain of its products and services to governmental and quasi-governmental organizations in various jurisdictions. Contracts with such entities may involve lengthy procurement processes, milestone-based acceptance procedures and extended payment cycles, which may delay the recognition or receipt of revenue. In addition, these contracts may be subject to discretionary termination, non-renewal, or changes in scope based on changes in government, government policy, budget priorities or regulatory developments, and may impose on the Company currency restrictions, administrative requirements or other regulatory conditions that could affect the performance or timing of contractual obligations. The Company may also encounter challenges in enforcing contractual rights or resolving disputes with such organizations, particularly in emerging markets and other jurisdictions where legal systems, regulatory enforcement mechanisms and judicial processes differ from those in Canada. These factors could adversely affect the Company's business, financial condition and results of operations.

Uncertainty in Expanding Product Portfolio and Market Reach

The Company's growth strategy relies on expanding its healthcare technology and data analytics platforms, acquiring complementary technologies, and broadening its customer base. However, these efforts may not succeed due to customer resistance to switching vendors, software integration challenges, and macroeconomic pressures affecting its clinical research operations. Failure to effectively expand products and markets could slow revenue growth and adversely impact the Company's business and financial performance.

Intense Industry Competition

The Company operates in a highly competitive and rapidly evolving healthcare technology industry, facing competition from both large, established firms and agile start-ups. Competitors may have greater resources, stronger brand recognition, and the ability to innovate or price more aggressively, which could lead to loss of clients or reduced margins. Increasing competition and market consolidation may require continued investment in innovation and marketing. Failure to compete effectively could materially and adversely affect the Company's growth, financial condition, and results of operations.

Failure to Manage Growth Effectively

The Company's continued growth depends on its ability to strengthen infrastructure, enhance information technology systems, improve processes and internal controls, and expand its workforce to support increased scale and complexity. These initiatives require significant financial and management resources. Rapid growth may also challenge the Company's ability to maintain operational efficiency, timely execution, and its entrepreneurial culture that fosters innovation. Failure to effectively manage these growth-related demands could adversely affect the Company's business performance and long-term success.

History of Net Losses and Risk of Continued Losses

The Company has incurred net losses due to M&A initiatives, investments in new technologies and services, rebranding efforts, and public company expenses. Although profitability is expected to improve with the acquisition of Orion Health, significant debt obligations and ongoing strategic investments could continue to pressure earnings. If revenue growth does not keep pace with these expenditures, the Company may generate lower-than-expected profits or continued losses, adversely affecting its financial performance and the market value of its securities.

Any Future Acquisitions, Partnerships, or Joint Ventures Could Disrupt the Company's Business and Adversely Affect its Financial Condition

Acquisitions, partnerships, and joint ventures remain a key component of the Company's growth strategy. While these initiatives are intended to enhance the Company's capabilities, market reach, and technological offerings, they involve inherent risks related to identifying suitable opportunities, assessing value, and successfully executing integration plans. Challenges may arise in aligning operations, systems, cultures, and processes, as well as in managing human resources, information technology, cybersecurity, and financial controls. These efforts may divert management's attention from core operations and require significant financial and operational resources. Furthermore, acquisitions or partnerships may expose the Company to unforeseen liabilities, contractual or regulatory issues, or non-compete provisions that restrict future business activities. Competitive pressures could also increase acquisition costs, and related financing - whether through cash, debt, or equity - may reduce liquidity, increase leverage, or dilute shareholders. If the anticipated synergies or strategic benefits are not realized, these activities could fail to deliver expected returns and could materially and adversely affect the Company's business, financial condition, and results of operations.

Risks Related to Product and Service Quality

The Company's success depends on maintaining the quality and reliability of its products, services, and customer support. Any deterioration in service quality, product performance, or support responsiveness could harm customer satisfaction, limit the Company's ability to attract and retain clients, and impede growth. As the Company scales its technology-enabled and data analytics offerings, failure to maintain consistent service standards or effectively manage increased demand could adversely affect its reputation, operations, and financial performance.

Dependence on Key Personnel and Talent Retention

The Company's success depends on the expertise and leadership of its key executives and skilled personnel. The loss of senior management or other critical employees could disrupt operations and negatively affect the Company's business and financial performance. As the healthcare technology sector evolves rapidly, the Company must continue to attract, develop, and retain qualified talent across technical, clinical, and operational roles. Intense competition for skilled professionals and the potential cost of retention efforts may further pressure profitability and hinder execution of the Company's growth strategy.

Intangible Assets and Goodwill Impairment

The Company's balance sheet includes significant intangible assets and goodwill arising primarily from recent acquisitions, such as customer relationships and proprietary technologies. These assets are subject to periodic amortization or annual impairment testing to assess whether their carrying values exceed fair value. Future acquisitions may further increase these balances. Any impairment of a material portion of the Company's intangible assets or goodwill could result in significant non-cash charges and negatively affect the Company's business, financial condition, and results of operations.

Internal Controls Over Financial Reporting

Effective internal controls are essential for accurate financial reporting and regulatory compliance; however, no control system can fully prevent errors or fraud. Limitations such as human error, resource constraints, or management override may lead to undetected misstatements. Failure to maintain adequate internal controls could compromise the reliability of the Company's financial reporting, harm its reputation, and reduce investor confidence, potentially affecting the value of its securities.

Conflicts of Interest Among Directors and Officers

Some of the Company's directors and executive officers may be engaged in other business ventures, which may create potential conflicts of interest. These external activities could limit the time and attention available for the Company's affairs or give rise to competing fiduciary obligations. While the Company follows governance procedures and legal requirements to manage such conflicts, they could still adversely affect management effectiveness and the Company's operations.

Risks Associated with one Public Company Controlling Another Public Company

The Company may face risks associated with being a publicly listed subsidiary of another public company. Such a structure can create governance and operational challenges, including potential conflicts of interest, reduced independence in strategic or financial decision-making, and limitations on mergers, financing, or resource allocation. The interests of minority shareholders may be undermined if decisions prioritize the parent company's objectives. In addition, intercompany transactions, valuation pressures, and market perceptions of reduced autonomy could negatively affect the Company's share price and investor confidence. Dependency on the parent for financial or operational support may further increase exposure to the parent's performance and regulatory risks, potentially impacting the Company's business, financial condition, and results of operations.

Effectiveness of Risk Management Policies and Procedures

The Company's risk management framework may not fully identify or mitigate all risks in a dynamic and regulated industry environment. Rapid growth, acquisitions, and strategic transactions have increased the complexity of the Company's operations, potentially exposing it to unanticipated risks. Reliance on third-party data, expansion into new markets, and limited experience in certain areas may further reduce the effectiveness of existing controls. If the Company's risk management policies or procedures fail to adequately address emerging risks, it could experience financial losses, increased liability, and adverse impacts on its business and financial performance.

Dependence on System Integration and Interoperability

The Company's products and services must integrate seamlessly with numerous third-party operating systems, software, hardware, networks, and web browsers that it does not control. Technological changes, network updates, or design modifications by third parties could reduce compatibility, increase costs, or impair functionality. Failure to maintain interoperability or to adapt cost-effectively to evolving technologies may limit product accessibility, decrease user adoption, and materially affect the Company's business, financial condition, and results of operations.

Potential Impact of Geopolitical Tension and Existing/Proposed Tariffs

The Company's operations are exposed to risks arising from global geopolitical tensions, evolving trade policies, and existing or potential tariffs. Changes in international trade regulations or the imposition of new tariffs could increase costs for equipment, supplies, and technology components, disrupting the Company's supply chain and pressuring margins. Broader geopolitical and economic instability, including inflation, interest rate volatility, and weakened global demand, may further constrain customer spending, financing availability, and strategic growth opportunities. The Company's operations in foreign jurisdictions, particularly emerging markets, may also expose the Company to risks related to restrictions on the repatriation of funds, trade sanctions, export controls, corruption and bribery. These factors could collectively have a material adverse effect on the Company's business, financial condition, and results of operations.

Accounting Standards, Estimates, and Policy Application Risks

The Company's financial reporting relies on complex accounting policies, estimates, and judgments that affect how results and financial condition are presented. Changes in accounting standards, interpretations, or the Company's underlying assumptions could require system or policy adjustments, increase costs, or materially alter reported results. Inaccurate estimates or misapplied assumptions regarding revenue recognition, asset impairment, taxation, or other complex accounting areas could adversely impact the Company's financial performance and investor confidence.

Macroeconomic and Geopolitical Risks

Global economic uncertainty driven by inflationary pressures, rising interest rates, and geopolitical conflicts, including the Russia-Ukraine war and conflict in the Middle East, may adversely affect the Company's operations and financial performance. These factors could reduce demand for the Company's products and services, increase operating and financing costs, and limit access to capital on favorable terms, thereby constraining growth and negatively impacting results of operations and financial condition.

Risks Relating to Intellectual Property and Technology

The Company collects, processes, and stores sensitive personal and health information, making it vulnerable to cybersecurity threats and data breaches. Increasingly sophisticated cyberattacks, system integrations following acquisitions, third-party dependencies, and remote work arrangements elevate the risk of unauthorized access, data loss, or service disruptions. Despite implementing cybersecurity controls, disaster recovery plans, and insurance coverage, no system is fully secure. A significant data breach or system failure could lead to operational disruption, reputational harm, regulatory penalties, costly litigation, and loss of customer trust. As data volumes and interconnected systems continue to grow, maintaining effective cybersecurity defenses and compliance measures remains a critical priority for the Company's operational and financial resilience.

Systems Reliability and Third-Party Infrastructure Risks

The Company's operations rely on the continuous performance of its own systems and those of third-party providers, including data centers, software platforms, and telecommunications networks. System failures, outages, or performance issues—whether from natural disasters, technical defects, cyber incidents, or human error—could disrupt services, lead to data loss, regulatory penalties, and damage to the Company's reputation. Additionally, the Company's dependence on stable internet infrastructure and external hosting providers increases its exposure to service interruptions or capacity limitations, which could materially impact customer satisfaction, revenue, and overall financial performance.

Intellectual Property Protection and Enforcement Risks

The Company's success depends on its ability to obtain, maintain, and enforce intellectual property and proprietary rights for its technologies, products, and services. Failure to adequately protect these rights or challenges from third parties could allow competitors to replicate or misuse the Company's innovations, eroding its competitive advantage. The Company also relies on trade secrets and confidentiality agreements, which may be breached or unenforceable, particularly in jurisdictions with weaker IP protections. Defending or enforcing intellectual property claims could involve costly, protracted litigation and divert management resources, potentially resulting in material adverse effects on the Company's business, operations, and financial condition.

Licensing and Compliance Risks

The Company's operations rely on various third-party licenses for intellectual property, software, and data critical to its solutions. Failure to obtain, maintain, or comply with these licenses, or the inability to secure additional licenses on reasonable terms, could disrupt product development and commercialization efforts. Disputes over license terms or interpretations may also limit the scope of the Company's rights or increase its financial obligations. Loss of access to key licensed technologies or unfavorable resolutions of licensing disputes could materially and adversely affect the Company's business, financial condition, and results of operations.

Artificial Intelligence (AI) Integration Risks

The Company's incorporation of artificial intelligence into its products presents emerging operational, regulatory, and reputational risks. As AI technologies evolve rapidly and face increasing regulatory scrutiny, the Company may incur significant costs to ensure responsible development and compliance. Inaccurate or biased AI outputs, technical failures, or perceived harm to clinicians or patients could result in reputational damage, legal exposure, and loss of customer trust. Additionally, intensified competition from larger, well-capitalized players in the AI healthcare space may further pressure the Company's market position and profitability.

Social, Ethical, and Regulatory Risks Related to AI and Emerging Technologies

The integration of AI and other emerging technologies into the Company's products and services raises complex social, ethical, and regulatory challenges. Risks such as algorithmic bias, misinformation, data privacy concerns, and misuse by third parties could lead to reputational harm, regulatory scrutiny, or legal liability. As governments and industry groups develop new standards for ethical AI use, compliance may increase development costs and operational complexity. Failure to address these evolving ethical and transparency expectations could undermine public trust, slow product adoption, and adversely affect the Company's business, financial condition, and results of operations.

Risks Related to Use of Open Source Software

The Company's products and platforms incorporate open source software, which may subject it to complex licensing requirements and legal uncertainties. Non-compliance with open source license terms could expose the Company to litigation, compel the disclosure of proprietary source code, or disrupt product distribution. Because open source software often lacks warranties, security assurances, and consistent updates, it may also increase cybersecurity and operational risks. Additionally, the absence of formal monitoring procedures heightens the risk of inadvertent use or improper integration, which could harm the Company's intellectual property position, competitiveness, and financial performance.

Regulatory Compliance and Legal Environment Risks

The Company operates within a complex and evolving legal and regulatory framework across multiple jurisdictions, including those governing healthcare, data privacy, employment, taxation, and consumer protection. Changes in laws or interpretations, particularly within healthcare and privacy regulation, may increase compliance costs, require operational adjustments, or limit revenue opportunities. As the Company expands its technology and data-driven operations, maintaining compliance with diverse and shifting regulations may demand significant resources. Failure to comply or adapt to new legal requirements could result in penalties, litigation, or business disruptions, materially affecting the Company's financial performance and growth.

Litigation, Investigations, and Legal Proceedings Risk

The Company may be subject to litigation, regulatory investigations, or administrative proceedings arising from its operations or corporate activities. Such matters could result in significant legal costs, reputational damage, or financial liabilities, particularly if judgments or settlements exceed available insurance or indemnities. Even successful defenses may divert management attention and resources. Additionally, while the Company's exposure to professional liability claims has decreased as it transitions toward technology-enabled offerings, risks associated with healthcare professionals remain. Unfavorable outcomes in any legal or regulatory matter could materially impact the Company's business, financial condition, and results of operations.

Privacy, Data Protection, and Information Security Compliance Risks

The Company collects and manages significant amounts of personal and health information and is subject to evolving privacy, data protection, and security regulations across multiple jurisdictions. Compliance with these complex and changing requirements may increase operational costs and complexity. Any actual or perceived failure to comply with applicable laws, contractual commitments, or the Company's own privacy policies could result in regulatory penalties, litigation, reputational harm, and loss of customer trust. New or reinterpreted data protection laws may also restrict operations, require costly system modifications, and adversely affect the Company's business, financial condition, and results of operations.

Regulatory Proceedings, Investigations, and Audits Risk

Given the highly regulated nature of the healthcare industry, the Company may be subject to regulatory or agency proceedings, investigations, and audits. Non-compliance or scrutiny by government authorities could result in fines, penalties, reputational harm, and operational restrictions. Even if outcomes are favorable, these matters may still divert management attention, consume significant financial and operational resources, and negatively impact the Company's reputation. Any adverse findings could materially affect the Company's business, financial condition, and results of operations.

Dual Class Share Structure and Concentration of Voting Control

The Company's dual class share structure, which grants Multiple Voting Shares nine votes per share compared to one vote per Subordinate Voting Share, concentrates voting control with specific shareholders, including executives, directors, and their affiliates. This structure allows these shareholders to influence key corporate decisions and may limit the ability of Subordinate Voting Shares shareholders to affect governance matters or benefit from change-of-control transactions. In addition, provisions under the Company's articles and the CBCA, such as the authorization to issue preferred shares without shareholder approval and requirements for supermajority votes, may deter or delay changes in control or management, reduce the likelihood of takeover bids, and adversely impact the market value of the Subordinate Voting Shares.

Market Price Volatility of Class A Subordinate Voting Shares

The market price of the Company's Subordinate Voting Shares may fluctuate significantly due to factors beyond its control, including variations in financial performance, analyst recommendations, executive changes, share sales, acquisitions, and broader economic or industry developments. Declines in share price could adversely affect the Company's acquisition strategy, investor confidence, and ability to raise capital. Broader market volatility unrelated to Company performance may also impact trading value, while failure to meet investor expectations regarding environmental, social, and governance (ESG) practices could further limit investment interest. Extended periods of volatility may negatively affect the Company's financial condition and expose it to potential securities litigation and reputational harm.

Liquidity and Capital Resource Risks

The Company's ability to sustain growth and invest in new technologies depends on its capacity to generate sufficient cash flows or access additional capital. If the Company is unable to secure new financing on favourable terms, it may be forced to limit expansion, acquisitions, or innovation efforts. Debt financing could impose restrictive covenants or repayment obligations that constrain operational flexibility, while additional equity offerings could dilute existing shareholders and depress share value. Moreover, failure to refinance or repay existing debt at maturity could adversely affect liquidity, financial condition, and long-term competitiveness.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

General

The information and analysis presented in this MD&A are based on accounting policies and practices consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2025.

Revenue Recognition

Revenue represents the amount the Company expects to receive from products and services in its contract with customers, net of discounts and sales taxes. The company reports revenue under three categories: Software License, Professional Services, and Subscription, Support and Maintenance. Software license revenue comprises non-recurring license fees charged for the use of software products licensed under multiple-year or perpetual arrangements. Professional Services revenue includes fees for implementation services, customer programming, product training, select managed services, consulting, and Data Science & AI Services. Subscription, Support and Maintenance primarily consists of fees charged for customer support on software products post-delivery, subscription and renewable licenses, managed services associated with software sold to the customer and hosted software as a service products.

Multiple arrangement service contracts

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

Agent/Principal

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

Nature of Product and Services

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

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

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

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

- Maintenance and support fees charged for customer support, unscheduled and unspecified software updates on software products. Revenue is recognized ratably over the term of the agreement, commencing from the date the maintenance term begins.
- Subscription-based licenses that include the right to access the software for a given term, technical support, and maintenance services. Revenue is recognized ratably over the term of the agreement, commencing from the date the license term begins.
- The Company provides embedded professional support services through dedicated personnel who operate as part of the customer's team to support the implementation and optimization of Healwell's software solutions. These services are delivered under time-based arrangements and recognized as revenue over time, in line with IFRS 15, based on the period of service provided. The personnel remain under Healwell's employment and direction throughout the engagement.

- Revenue from software-as-a-service (SaaS) arrangements, which provide customers with access to hosted software without transferring control of the underlying software, is recognized on a subscription basis. Revenue from these subscriptions, including access to the hosted software and related maintenance, is recognized ratably over the subscription term. Where customers make significant upfront payments during the initial subscription term, such amounts are recognized ratably over the expected renewal periods, up to the estimated useful life of the software.

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

Capitalized commission costs

The Company pays sales commissions to employees for obtaining customer contracts. Commissions that are incremental to obtaining a contract are capitalized under IFRS 15 Revenue from Contracts with Customers when the Company expects to recover those costs, and are amortized on a straight-line basis over the term of the related contract, consistent with the period over which the related goods and services are transferred to the customer. Where commission is earned by reference to a guaranteed initial contract term only, the asset is amortized over that guaranteed term. The Company applies the practical expedient in IFRS 15 and expenses commissions as incurred where the amortization period would be one year or less. Capitalized commissions are assessed for impairment at each reporting date and are presented within prepaid expenses and other assets to the extent expected to be amortized within 12 months of the reporting date, and within other assets (non-current) thereafter. This policy is applied for the first time in the current period, as capitalized commission costs were previously immaterial.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

Internal Controls over Financial Reporting

Management is responsible for designing and maintaining internal controls over financial reporting (“ICFR”) as defined under NI 52-109. As at the end of the Reporting Period, the Chief Executive Officer and Chief Financial Officer have reviewed the design and operation of these ICFR, which was not limited in any way, and concluded that there were material weaknesses in the Company’s ICFR. In particular, the Company’s protocols for the oversight and review of accounting for (a) non-routine and complex transactions; (b) the consolidation workbook and certain consolidation entries; and (c) the valuation and allocation of certain complex embedded derivatives; was insufficient, particularly having regard to the complexity of the transactions completed in the last 24 months.

Management has evaluated the impact of these deficiencies on its financial reporting and does not believe that they have materially impacted on the accuracy or reliability of the Financial Statements or this MD&A, however, these weaknesses in the design of the Company’s ICFR increase the risk that material misstatements may occur, particularly if the Company continues to complete complex and non-routine transactions in future reporting periods. Management is in the process of evaluating the weaknesses and related processes to strengthen its ICFR to improve their effectiveness in providing reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with IFRS using the Committee of Sponsoring Organizations of the Treadway Commission Framework (2013). Among other things:

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

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

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

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

SHARE CAPITAL

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.

Issued

	Class A Subordinate Voting Shares		Class B Multiple Voting Shares
<i>(in thousands of Canadian dollars, except for Shares)</i>	No. of Shares	Amount	
Balance, December 31, 2025	293,322,517	250,426	30,800,000
Issuance of Subordinate Voting Shares against RSU,PSU & DSU and options	1,393,563	1,800	
Issuance of Subordinate Voting Shares against conversion of debentures	8,741,336	1,606	
Issuance of Subordinate Voting Shares against warrants exercised	90,000	18	
Balance, June 30, 2026	303,547,416	253,850	30,800,000

	Class A Subordinate Voting Shares		Class B Multiple Voting Shares
	No. of Shares	Amount	
Balance, December 31, 2024	168,829,039	140,084	30,800,000
Issuance of 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	
Balance, December 31, 2025	293,322,517	250,426	30,800,000

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	Additions during the period	Exercise Price	Fair Value	Exercised	Net Outstanding as at June 30, 2026
Broker Warrants						
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
Bought Deal Warrants						
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
Debenture Warrants						
October 1, 2023	6,705,000	—	0.20	0.20	90,000	6,615,000

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

UPDATE ON FOFI AND FINANCIAL OUTLOOKS.

The Orion Health Holdings Limited (“Orion Health”) acquisition announced in December 2024 was expected to contribute \$100,000 in annual revenue and position the Company to achieve positive Adjusted EBITDA. Orion Health's revenue performance for the first twelve months of ownership (April 1, 2025 to March 31, 2026) came within 5% of the Company's revenue expectation at the time of acquisition, due largely to timing delays in pipeline opportunities that have not been lost. In that same time, the Company has realized its positive Adjusted EBITDA objective.