

HEALWELL Reports Record Revenue with 433% Growth in 2024, and Anticipates Closing of Transformational Orion Health Acquisition on April 1, 2025

- HEALWELL achieved record annual revenue from continuing operations of approximately \$39 million in fiscal 2024, an increase of 433% compared to fiscal 2023. HEALWELL achieved record quarterly revenue from continuing operations of \$15.2 million in Q4-2024, 692% higher than the \$1.9 million generated in Q4-2023 and 11% higher than the \$13.7 million generated in Q3-2024.
- On December 16, 2024, HEALWELL announced the acquisition of Orion Health Holdings Limited ("**Orion Health**", or "**Orion**"), a leader in global healthcare technology, with over 70 worldwide customers in 11 countries. Orion is expected to contribute more than \$100 million in annual revenues and propel the Company into being Adjusted EBITDA positive thereafter. Furthermore, in anticipation of the closing of the Orion Health acquisition, the Company has proactively executed several cost optimization initiatives.
- The Orion Health acquisition is expected to close on April 1, 2025. Between the recently signed \$50 million credit agreement with Scotiabank and RBC, and the capital raised through the Company's recently completed subscription receipt financings, HEALWELL has financing arrangements for over \$100 million in place to support the closing of this acquisition.

Toronto, Ontario--(Newsfile Corp. - March 26, 2025) - HEALWELL AI Inc. (TSX: AIDX) (OTCQX: HWAIF) ("**HEALWELL**" or the "**Company**"), a healthcare artificial intelligence company focused on preventative care, is pleased to announce its audited consolidated financial results for the fiscal year and fourth quarter ended December 31, 2024. A summary of the Company's financial and operational results is set out below, and more detailed information is contained in the annual financial statements and related management discussion and analysis, which are available on the Company's SEDAR+ page at www.sedarplus.com. Financial measures described as "Adjusted" in this news release are non-IFRS financial measures and may not be comparable to other similar measures disclosed by other companies. Please see *Non-IFRS Financial Measures* below for more information.

Dr. Alexander Dobranowski, HEALWELL's CEO, commented, "Although 2024 was a landmark year for HEALWELL, we're even more excited about 2025, as we are expecting to close the acquisition of Orion Health on April 1, 2025. The acquisition of Orion Health will be transformational for HEALWELL, bringing together healthcare artificial intelligence technology with a global market leader in healthcare data interoperability. Orion Health can truly be described as a unified healthcare SaaS platform, uniting patient healthcare data from across the healthcare ecosystem into a single integrated platform, revealing insights and empowering people to take control of their own healthcare. With over 70 sites worldwide and covering over 150 million patient lives, Orion is a global powerhouse in health data infrastructure and its robust SaaS recurring revenue model and strong profitability is expected to propel HEALWELL to a new level. Orion generates over \$100 million in annual topline revenue and will singlehandedly propel the Company to being profitable on an Adjusted EBITDA basis. With the combined scale and capabilities of HEALWELL and Orion Health's platforms, the Company is well positioned to seize new opportunities with a rapidly growing pipeline of public sector contracts amidst the expanding 'Buy Canadian' movement in the Canadian healthcare ecosystem."

Dr. Dobranowski further adds, "2024 has been a defining year for HEALWELL, marked by unprecedented and transformational growth. We closed the year with approximately \$39 million in revenue, achieving 433% growth and improving profitability. A key driver of this success was our newly acquired subsidiaries, including Intrahealth Solutions, VeroSource Solutions, Bio Pharma Services, and Mutuo Health Solutions. These acquisitions not only strengthened our business from a financials perspective, but also strategically expanded our customer base, artificial intelligence and technology

offerings, and brought new market opportunities in both the private and public sectors. Over the past year we also made significant strides in the life sciences sector, ending the year with 30 signed MSAs combined for both Pentavere and Khure Health businesses, which includes agreements with 7 of the top 10 pharmaceutical companies in the world. This is just the beginning of our journey in delivering value to the life sciences sector and we are excited to explore more opportunities with them in 2025."

Anthony Lam, Chief Financial Officer of HEALWELL, commented, "Combined with our recently signed credit agreement, HEALWELL has financing arrangements for over \$100 million in place to support the completion of the Orion Health acquisition, which is expected to close on April 1st. We would like to thank our new shareholders and financial banking partners as their support reinforces our ability to execute our strategic vision and unlocks new growth opportunities for the Company. With the acquisition of Orion Health, we will be well positioned to leverage new synergies to enhance operational efficiencies, accelerate growth and drive profitability in the business. Looking ahead, our focus remains on sustaining momentum, increasing Adjusted EBITDA, and creating long-term value for our stakeholders."

Fiscal 2024 Annual Financial Highlights:

Significant financial highlights for the Company's continuing operations during the year ended December 31, 2024 included:

- HEALWELL achieved annual revenue from continuing operations of approximately \$39 million during 2024, an increase of 433% compared to revenue of \$7.3 million in 2023.
- HEALWELL achieved Gross Profit⁽²⁾ of \$17.3 million in 2024, compared to \$1.2 million in 2023.
- HEALWELL achieved a Gross Margin⁽²⁾ percentage of 44% during 2024 compared to 17% in 2023.
- During fiscal 2024, HEALWELL reported Adjusted EBITDA⁽¹⁾ loss of \$1 million, compared to an Adjusted EBITDA loss of \$7.9 million in 2023.

Fourth Quarter 2024 Financial Highlights

Significant financial highlights for the Company's continuing operations during the three months ended December 31, 2024 included:

- HEALWELL achieved quarterly revenue from continuing operations of \$15.2 million in Q4-2024, an increase of 692% compared to revenue of \$1.9 million generated in Q4-2023. The growth in revenue is primarily attributable acquisitions, including Pentavere Research Group ("**Pentavere**"), Intrahealth Systems Limited ("**Intrahealth**"), BioPharma Services Inc. ("**BioPharma**"), VeroSource Solutions Inc. ("**VeroSource**") and Mutuo Health Solutions Inc. ("**Mutuo**"). Mutuo .
- HEALWELL achieved Gross Profit⁽²⁾ of \$7.0 million during Q4-2024, an increase of 1,179% compared to \$0.54 million in Q4-2023. The increase in Gross Profit is primarily attributed to an increase in revenue from the acquisitions made over the past year.
- HEALWELL achieved a Gross Margin⁽²⁾ percentage of 46% during Q4-2024, compared to 28% in Q4-2023. The improvement in Gross Margin was also primarily due to the contribution of higher gross margin acquisitions of Intrahealth and VeroSource.
- During Q4-2024, HEALWELL reported an Adjusted EBITDA⁽¹⁾ loss of \$5.4 million, compared to loss of \$1.5 million in Q4-2023.
- As of December 31, 2024, HEALWELL had \$9.4 million in cash, compared to \$15.2 million as of September 30, 2024.

Fourth Quarter 2024 Business and Operational Highlights

Significant business and operational highlights for the Company during the three months ended December 31, 2024 included:

- Investment in Abstractive Health to Advance Generative AI-Powered Clinical Documentation: On October 22, 2024, HEALWELL announced a USD\$250,000 strategic investment and commercialization agreement with Abstractive Health ("**Abstractive Health**"), a healthcare AI company specializing in providing physicians with an automated, accurate and medically relevant AI assistant that delivers patient summaries using proprietary generative AI technology.
- Acquisition of Mutuo Health Solutions: On November 1, 2024, HEALWELL acquired a 51% controlling interest in Toronto-based Mutuo for a total purchase price of approximately \$5.7 million. Mutuo is a Software-as-a-Service (SaaS) platform that utilizes artificial intelligence to automate medical transcription and note generation for healthcare professionals. The company's flagship product, AutoScribe, transcribes clinician-patient conversations into accurate medical notes in real time, integrated seamlessly with Electronic Medical Records (EMR) systems such as PS Suite, Oscar EMR, Cerner, and Epic.
- Expansion of Pharmaceutical Partnerships: On November 5, 2024, HEALWELL announced its subsidiaries executed five new Master Services Agreements (MSAs) with pharmaceutical partners, enhancing commercialization opportunities for its AI-powered patient identification solutions.
- Pentavere Receives Prix Galien USA 2024 Award for Best Digital Health Startup: On November 12, 2024, the Company announced Pentavere received the prestigious Prix Galien USA 2024 Award for Best Digital Health Startup for its contributions in AI and Life Sciences. The Prix Galien Award is among the global health innovation industry's most renowned honors, recognizing outstanding biomedical, medical and technological achievements that improve the human condition.
- VeroSource Solutions Drives Expansion in Canadian Healthcare Sector: On November 27, 2024, HEALWELL's subsidiary, VeroSource Solutions, reported rapid expansion in Canada's public healthcare sector. More than 600,000 New Brunswick residents can now generate a Patient Summary via the MyHealthNB platform, powered by VeroSource technology.
- HEALWELL to Acquire Orion Health, Creating a Global Leader in AI-Driven Healthcare: On December 16, 2024, HEALWELL announced that it entered into an agreement to acquire 100% of the shares of Auckland, New Zealand based Orion Health, a subscription license and services revenue business serving marquee public sector clients globally with data interoperability and healthcare navigation products and services. The aggregate purchase price of the transaction is \$175 million NZD plus a performance based earnout of up to a further \$25 million NZD. On closing, HEALWELL will satisfy the purchase price of \$144 million CAD with \$86 million CAD in cash and \$57.4 million CAD in HEALWELL Class A Subordinate Voting Shares. The acquisition of Orion Health will represent a transformative milestone in HEALWELL's journey to become a global leader in healthcare technology and artificial intelligence. The transaction is expected to close on April 1, 2025 and remains subject to a limited number of conditions precedent.
- HEALWELL Upsizes Bought Deal Offering to \$55 Million: On December 16, 2024 and December 17, 2024, the Company announced that it had entered into (and subsequently amended) a letter agreement to complete a \$55.0 million subscription receipt financing, on a bought-deal basis, to support the acquisition of Orion Health (the "**Bought-Deal Acquisition Financing**"), with Eight Capital and Scotia Capital Inc. acting as joint-bookrunners on behalf of a syndicate of underwriters.

Events Subsequent to December 31, 2024

Significant business and operational highlights for the Company subsequent to December 31, 2024 included:

- Shareholder Approval for Orion Health Acquisition: On January 15, 2025, HEALWELL obtained written shareholder approval for its pending acquisition of Orion Health and related financing. This approval represents a key step in finalizing the acquisition and integrating Orion Health into HEALWELL's growing AI-driven healthcare ecosystem.
- \$25.5M Equity Tranche Completion: On January 21, 2025, HEALWELL announced the closing of the first tranche of its Bought Deal Acquisition Financing, raising aggregate gross proceeds of approximately \$25.5 million.

- **\$30M Convertible Debt Tranche Closure:** On January 28, 2025, HEALWELL announced the closing of the second tranche of its Bought Deal Acquisition Financing, raising aggregate gross proceeds of \$27.3 million, after considering the OID (Original Issue Discount) on the underlying debentures.
- **Strategic Cost Optimization Initiative:** On February 3, 2025, HEALWELL provided a corporate update highlighting a cost optimization initiative aimed at streamlining operations and maximizing M&A efficiencies. The Company expects to achieve at least \$3.0 million in annual cost savings, reinforcing its commitment to operational excellence.
- **Khure Health's Expansion in AI-Powered Disease Detection:** On February 24, 2025, HEALWELL's Khure Health reported a significant acceleration in user adoption and partnerships in its AI-powered co-pilots for disease detection. In Q4 2024 alone, Khure Health assisted physicians in identifying over 43,000 high-risk patients, further strengthening its impact on preventive care and physician support.
- **\$50M Credit Agreement Led by Scotiabank and RBC to Support Orion Acquisition:** On February 26, 2025, HEALWELL announced the signing of a \$50 million credit agreement, led by Scotiabank and RBC, to support its acquisition of Orion Health. The financing includes a \$20 million term loan and a \$30 million revolving credit facility, with an additional uncommitted accordion feature of up to \$25 million. Combined with recent capital raises, HEALWELL has secured over \$100 million in funding for the transaction. The Company has initiated the pre-closing reorganization process with a target closing date of April 1, 2025, marking a significant step in expanding its global healthcare intelligence platform.

Webcast and Conference Call Details:

HEALWELL will be holding a conference call and simultaneous webcast to discuss its financial results on **Wednesday, March 26, 2025 at 1:00 pm ET (10:00 am PT)**. The call will be hosted by Dr. Alexander Dobranowski, Chief Executive Officer, and Anthony Lam, Chief Financial Officer. Please dial-in 10 minutes prior to the start of the call.

Date: Wednesday, March 26, 2025

Time: 1:00 PM ET / 10:00 AM PT

Webcast link: <https://www.gowebcasting.com/13983>

Toll-Free North America: 1-833-752-3509

International Toll: 1-647-846-7993

HEALWELL AI INC. (formerly known as MCI ONEHEALTH TECHNOLOGIES INC.)

Consolidated Statement of Financial Position

(In thousands of Canadian dollars, except per share amounts)

As at 31 December 2024 and 2023

<i>(unaudited)</i>	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	9,413	19,162
Accounts receivable	5,969	1,115
Contract assets	326	-
Prepaid and other assets	2,351	1,203
Lease receivables	269	126
	18,327	21,606
Assets classified as held for sale	-	1,150
	18,327	22,756
Non-current assets		
Property and equipment	793	531
Intangible assets	28,303	12,506
Right-of-use assets	4,122	3,202
Goodwill	65,601	12,305
Investment in equity securities	4,114	410
Call option and warrants	2,251	1,500
Other assets	115	237
Lease receivables	366	249
	123,992	53,696

Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	9,605	5,978
Acquisition related payables	6,596	443
Deferred revenue	2,453	335
Related party loan-current	1,780	672
Contingent consideration	1,391	-
Other liabilities	-	86
Lease liability	946	1,010
Liabilities associated with assets classified as held for sale	-	897
	22,771	9,421
Long-term liabilities		
Lease liability	5,237	4,264
Related party loan	9,478	10,508
Deferred tax liabilities	5,250	2,024
Contingent consideration	3,351	260
Non-controlling interest redeemable liability	-	1,282
Debentures payable	2,970	2,932
Loan payable	1,792	1,541
	50,849	32,232
Shareholders' equity		
Share capital	140,388	67,368
Convertible debenture options reserve	1,733	1,964
Contributed surplus	16,987	12,567
Translation reserve	(3)	-
Deficit	(94,389)	(69,249)
Equity attributable to HEALWELL AI Inc.	64,716	12,650
Non-controlling interest	8,675	8,814
	73,391	21,464
	123,992	53,696

HEALWELL AI INC. (formerly known as MCI ONEHEALTH TECHNOLOGIES INC.)
Consolidated Statement of Profit (Loss) and Comprehensive Income (Loss)
(In thousands of Canadian dollars, except per share amounts)
For the years ended 31 December 2024 and 2023

	December 31, 2024	2023
<i>(unaudited)</i>		
Continuing operations		
Revenue	38,972	7,317
Total revenue	38,972	7,317
Cost of revenue	21,657	6060
Gross profit	17,315	1,257
Expenses		
General and administrative	42,694	1,088
Research and development	5,795	4,811
Sales and marketing	2,381	1,280
Impairment charges	5,385	10,896
Operating expenses	56,255	28,971
Loss before other expense (income) and taxes	(38,940)	(27,714)
Financing expenses	1,972	1,755
Changes in fair value of call options	950	-
Changes in fair value of contingent consideration	(2,580)	223
Changes in fair value of investments	(277)	134
Loss on settlement of shares-contingent consideration	-	677
Loss on fixed assets write off	228	-
Debt forgiveness	(7,863)	-
Liability extinguishment	(3,088)	-
Impairment of investment in an associate	-	2,180
	(10,658)	4,969
Loss before taxes from continuing operations	(28,282)	(32,683)
Income taxes recovery	(1,685)	(542)
Net loss for the period on continuing operations, net of tax	(26,597)	(32,141)
Net (loss) profit on discontinued operations, net of tax	(54)	596
Net loss for the period	(26,651)	(31,545)

Other Comprehensive Expense

Foreign currency translation of foreign operations	(3)	-
Net comprehensive loss for the period	(26,654)	(31,545)
Net (loss)/profit attributed to		
Non-controlling interests	(1,187)	52
Shareholders of HEALWELL AI Inc.	(25,464)	(31,597)
	(26,651)	(31,545)
Net comprehensive (loss) earnings attributable to		
Non-controlling interests	(1,187)	52
Shareholders of HEALWELL AI Inc.	(25,467)	(31,597)
	(26,654)	(31,545)
Loss per share attributable to HEALWELL AI Inc.		
Basic and diluted - Continuing operations	(0.19)	(0.56)
Basic and diluted - Discontinued operations	(0.00)	0.01
Basic and diluted -Continuing & discontinued operations	(0.19)	(0.55)

HEALWELL AI INC. (formerly known as MCI ONEHEALTH TECHNOLOGIES INC.)
Consolidated Statement of Cash Flows
(In thousands of Canadian dollars, except per share amounts)
For the years ended 31 December 2024

	December 31,	
(unaudited)	2024	2023
Operating activities:		
Net loss and comprehensive loss for the period	(26,651)	(\$ 31,545)
<i>Items not affecting cash:</i>		
Depreciation and amortization	7,297	3,341
Deferred tax recovery	(2,042)	(561)
Non-cash interest accreted income	(43)	(15)
Non-cash interest accreted expense	186	149
Share based compensation	5,741	3,261
Expected credit losses	12	11
Fair value changes in contingent consideration	(2,580)	223
Loss on settlement of shares-contingent consideration	-	677
Impairment on intangible	-	10,896
Impairment	5,363	-
Changes in fair value of investments	149	134
Changes in fair value of call options	949	-
Interest on related party loan	650	1,127
Assets written off	258	-
Interest on bank loan	39	-
Debt forgiveness	(7,863)	(370)
Liability extinguishment	(3,088)	-
Impairment on investments in associates	-	2,180
Non-cash operating items	(21,623)	(10,492)
<i>Net Change in non-cash operating items:</i>	<i>(3,443)</i>	<i>1,066</i>
Net cash flows used in operating activities from continuing operations	(25,066)	(9,426)
Net cash flows generated in operating activities from discontinued operations	21	(1,372)
Net cash flows used in operating activities	(25,045)	(10,798)
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(10,634)	(1,143)
Proceeds from sale of Ontario clinics and subsidiary	-	2,035
Investment in equity securities	(3,704)	(410)
Net cash inflow on disposal of subsidiary	-	1,000
Dividend received	-	100
Purchase of intangible assets	(1,220)	-
Purchase of property and equipment	(91)	(66)
Net cash flows (used in) generated from investing activities from continuing operations	(15,649)	1,516
Net cash flows used in investing activities from discontinued operations	-	(62)
Net cash flows (used in) generated from investing activities	(15,649)	1,454
Financing activities		
Advances from related parties-net	1,839	3,270
Proceeds from the issuance of shares	19,119	-
Buyback of Polyclinic NCI Shares	(625)	-
Proceeds from issuance of shares and warrants	9,876	17,447
Proceeds from issuance of debenture and warrants, net of expenses	-	9,810
Proceeds from issuance of shares against settlement of RSUs	1,667	-
Repayment of bank loan	-	(1,685)
Lease payments	(1,168)	(576)
Lease payments received	237	168
Net cash flows from financing activities from continuing operations	30,945	28,534
Net cash flows used in financing activities from discontinued operations	-	(1,339)
Net cash flows from financing activities	30,945	27,095

Net (decrease) increase in cash and cash equivalents	(9,749)	17,751
Cash and cash equivalent at beginning of the period	19,162	1,411
Cash and cash equivalent at ending of the period	9,413	19,162

Selected Financial Information

(in thousands of dollars, except percentages and per share amounts)

(unaudited)	Three months ended December 31		Period over period Change		Year ended December 31		Period over period Change	
	2024	2023 ⁽²⁾	\$	%	2024	2023 ⁽²⁾	\$	%
	(\$ in thousands except percentages)							
Continuing operations								
Revenues	15,211	1,921	13,290	692	38,972	7,317	31,655	433
Cost of revenue	8,253	1,377	6,876	499	21,657	6,060	15,597	257
Gross profit	6,958	544	6,414	1,179	17,315	1,257	16,058	1,277
Research and development	2,849	282	2,567	912	5,795	632	5,163	817
Sales and marketing	721	207	514	248	2,381	600	1,781	297
General and administrative	13,874	3,941	9,933	252	42,716	16,842	25,874	154
Impairment charges	4,513	3,143	1,370	44	5,363	10,896	(5,533)	(51)
	21,957	7,573	14,384	1,455	56,255	28,971	27,285	1,217
Finance expenses	448	448	615	(167)	1,972	1,755	217	217
Changes in fair value of call options	50	-	50	-	950	-	950	-
Changes in fair value of contingent consideration	(2,730)	(1,537)	(1,156)	75	(2,580)	223	(2,803)	(1,257)
Changes in fair value of investments	(277)	-	(277)	-	(277)	134	(411)	(307)
Loss on settlement of shares-contingent consideration	-	-	-	-	-	677	(677)	(100)
Loss on fixed assets write off	-	-	-	-	228	-	228	-
Debt forgiveness	-	-	-	-	(7,863)	-	(7,863)	-
Liability extinguishment	-	-	-	-	(3,088)	-	(3,088)	-
Impairment of investment in an associate	-	-	-	-	-	2,180	(2,180)	(100)
	2,509	(922)	(1,587)	172	(10,658)	4,969	(15,627)	(314)
Loss before taxes	(12,490)		(6,107)	(6,383)	(28,282)	(32,683)	4,401	(13)
Income tax recovery	(687)		652	(1,339)	(1,685)	(542)	(1,143)	211
Net loss-continuing operation	(11,803)		(6,759)	(5,044)	(26,597)	(32,141)	5,544	(17)
Net (income)/loss on discontinued operations, net of tax	-		-	-	(54)	596	(650)	(109)
Net loss	(11,803)		(6,759)	(5,044)	(26,651)	(31,545)	4,894	(16)
Continuing operation								
Adjusted EBITDA ⁽¹⁾	(5,470)		(1,464)	(4,006)	(16,003)	(7,954)	(8,049)	101
Adjusted EBITDA margin ⁽¹⁾	(36.0)		(76.2)	40.2	(41.1)	(108.7)	67.6	(62.2)
Discontinued operation								
Adjusted EBITDA ⁽¹⁾	-		112	(112)	(21)	(297)	276	(93)
Adjusted EBITDA margin ⁽¹⁾	-		22.6	(22.6)	(4.4)	(1.2)	(3.2)	270.3
Net (loss) attributable to Company shareholders								
			(5,609)					
- Continuing operation	(12,368)		(6,759)	(5,609)	(25,410)	(32,193)	6,783	(21)
- Discontinued operation	-		-	-	(54)	596	(650)	(109)
	(12,368)		(6,759)	(5,609)	(25,464)	(31,597)	6,133	(19)
Weighted average number of Of Share outstanding: Basic and diluted	53,728		68,312		135,561	57,032		
Net income (loss) per share - Basic and diluted								
- Continuing operation	(0.23)		(0.10)		(0.19)	(0.56)		
- Discontinued operation	-		-		(0.0004)	0.01		
	(0.23)		(0.10)		(0.19)	(0.55)		

(1) Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures. Please see "Non-IFRS Measures" above for an explanation of the composition of these measures and their usefulness, and "Reconciliation of Non-IFRS Measures" below for a reconciliation of these measures to the IFRS measures found in the Financial Statements.

(2) Certain Financial Statement Line Items on the 2023 Profit and Loss Statement have been re-classified to conform to the methodology used to prepare the 2024 Profit and Loss statement.

Selected Statement of Financial Position Data

(unaudited)	Year ended December 31	
	2024	2023
	\$ in thousands	
Cash	9,413	19,162
Accounts receivable	5,969	1,115
Call Options and warrants	2,251	1,500
Net investment in subleases	635	375
Investment in equity securities	4,114	410
Assets classified as held for sale	-	1,150
Liabilities associated with assets classified as held for sale	-	(897)
Accounts payable and accrued liabilities	(9,605)	(5,978)
Acquisition related payable	(6,596)	(443)
Loan payable	(1,792)	(1,541)
Related party loan	(11,258)	(11,181)
Lease liabilities	(6,183)	(5,274)
Other liabilities	-	(86)
Debenture payables	(2,970)	(2,932)
Non-controlling interest redeemable liability	-	(1,282)
Liability for contingent consideration	(4,495)	(260)

Non-IFRS Financial Measures

The terms Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit and Adjusted Gross Margin used in this document do not have any standardized meaning under IFRS, may not be comparable to similar financial measures disclosed by other companies and should not be considered a substitute for, or superior to, IFRS financial measures. Readers are advised to review the section entitled "Non-IFRS Financial Measures" in the Company's management discussion and analysis for the quarter and year ended December 31, 2024, available on the Company's SEDAR+ page at www.sedarplus.ca, for a detailed explanation of the composition of these measures and their uses.

The following table reconciles Adjusted EBITDA and Adjusted EBITDA Margin to net income (loss) for the three-months and fiscal year ended December 31, 2024 and December 31, 2023:

(unaudited)

	Three months ended December 31		Year ended December 31	
	2024	2023	2024	2023
	\$ in thousands			
Total Revenue				
- Continuing operation	15,211	1,921	38,972	7,317
- Discontinued operation	-	495	477	24,979
	15,211	2,416	39,449	32,296
Net (loss) income				
- Continuing operation	(11,803)	(6,759)	(26,597)	(32,141)
- Discontinued operation	-	448	(54)	596
	(11,803)	(6,311)	(26,651)	(31,545)
Add back (deduct)				
Continuing operation				
Depreciation and amortization	1,202	1,150	7,298	3,341
Net finance charges	448	615	1,972	1,755
Other Expenses	103	-	-	-
Restructuring cost	75	-	652	-
Gain /(Loss) on settlement of shares-contingent consideration	-	-	-	677
Impairment of investment in associate	-	-	-	2,180
Changes in fair value of call options	50	-	950	-
Changes in fair value of contingent consideration	(2,730)	(1,537)	(2,580)	223

Changes in fair value of investments	(277)	-	(277)	134
Share-based payment expense	2,721	743	7,141	3,261
Acquisition related expenses	893	529	2,462	2,272
Expected credit losses (recovery)	-	-	-	(11)
Income taxes recovery (expense)	(687)	652	(1,685)	(542)
Liability extinguishment	-	-	(3,088)	-
Debt forgiveness	-	-	(7,863)	-
Impairment charges	4,535	3,143	5,385	10,896
Loss / (Gain) on disposal of assets	-	-	228	-
Discontinued operation				
Depreciation and amortization	-	117	2	1,312
Net finance charges	-	15	19	309
Impairment charges (reversal)	-	75	-	221
Loss (gain) on disposal of subsidiary	-	(543)	-	(2,560)
Expected credit recovery	-	-	12	(175)
Adjusted EBITDA				
- Continuing operation	(5,407)	(1,464)	(16,003)	(7,954)
- Discontinued operation	-	112	(21)	(297)
Adjusted EBITDA Margin				
- Continuing operation	(35.55)	(76.20)	(41.6)	(108.7)
- Discontinued operation	-	22.63	(4.4)	(1.19)

	(\$ in thousands except percentages)						
	Three months ended December 31						
(unaudited)	2024			2023			Period over Change
	Continuing operation	Discontinued operation	Total	Continuing operation	Discontinued operation	Total	
							\$ %
AI and Data sciences	1,932	-	1,932	53	-	53	1,879 3,646.0
Healthcare Software	4,863	-	4,863	-	-	-	4,863 100.0
Clinical Research and Patient services	8,416	-	8,416	1,868	496	2,364	6,052 256.0
	15,211	-	15,211	1,921	496	2,417	12,794 529.3

	(\$ in thousands except percentages)						
	Twelve months ended December 31						
(unaudited)	2024			2023			Period over Change
	Continuing operation	Discontinued operation	Total	Continuing operation	Discontinued operation	Total	
							\$ %
AI and Data sciences	4,610	-	4,610	670	-	670	3,940 588.1
Healthcare Software	15,102	-	15,102	-	-	-	15,102 100.0
Clinical Research and Patient services	19,260	477	19,737	6,647	24,978	31,625	(11,888) (37.6)
	38,972	477	39,449	7,317.00	24,978	32,295	7,154 22.2

Dr. Alexander Dobranowski
Chief Executive Officer
HEALWELL AI Inc.

About HEALWELL

HEALWELL is a healthcare artificial intelligence company focused on preventative care. Its mission is to improve healthcare and save lives through early identification and detection of disease. Using its own proprietary technology, the Company is developing and commercializing advanced clinical decision support systems that can help healthcare providers detect rare and chronic diseases, improve efficiency of their practice and ultimately help improve patient health outcomes. HEALWELL is executing a strategy centered around developing and acquiring technology and clinical sciences capabilities that complement the Company's road map. HEALWELL is publicly traded on the Toronto Stock Exchange under the symbol "AIDX" and on the OTC Exchange under the symbol "HWAIF". To learn more about

HEALWELL, please visit <https://healwell.ai/>.

Forward-Looking Statements

Certain statements in this press release, constitute "forward-looking information" and "forward looking statements" (collectively, "forward looking statements") within the meaning of applicable Canadian securities laws, including statements about the potential for HEALWELL and its partners to continually leverage advancements in expert AI technologies to develop new products and services or enhance existing ones to serve its existing (and future) customer base, and are based on assumptions, expectations, estimates and projections as of the date of this press release. Forward-looking statements are often, but not always, identified by words or phrases such as "possibility", "opportunity", "pending", "proposition", "continue to", "improve" 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" be taken, occur or be achieved, or the negative of any of these terms. 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 HEALWELL as of the date of such statements, are outside of HEALWELL'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 press release are based on various assumptions, including, but not limited to, the following: HEALWELL's ability to maintain and leverage its relationships with its commercial partners; the continued adoption of the software, tools and solutions created by HEALWELL; that HEALWELL will be successful in identifying, executing and integrating new acquisitions, investments and/or partnerships, the stability of general economic and market conditions; sufficiency of working capital and access to financing; HEALWELL's ability to comply with applicable laws and regulations; HEALWELL's continued compliance with third party intellectual property rights; the effects of competition in the industry; the requirement for increasingly innovative product solutions and service offerings; technologies working as intended or at all; trends in customer growth and the adoption of new technologies in the industry; and that the risk factors noted below, collectively, do not have a material impact on HEALWELL's business, operations, revenues and/or results. 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 HEALWELL, could cause the actual results of HEALWELL to differ materially from the results, performance, achievements, or developments expressed or implied by such forward-looking statements. Such risk factors include but are not limited to those factors which are discussed under the section entitled "Risk Factors" in HEALWELL's most recent annual information form dated April 1, 2024, which is available under HEALWELL's SEDAR+ profile at www.sedarplus.ca. The risk factors are not intended to represent a complete list of the factors that could affect HEALWELL 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. HEALWELL 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 of the forward-looking statements contained in this press release are qualified by these cautionary statements.

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