



WELLSTAR TECHNOLOGIES CORP.

ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

BACKGROUND

This Annual Management's Discussion and Analysis ("Annual MD&A") for WELLSTAR Technologies Corp. ("WELLSTAR" or the "Company") should be read in conjunction with the Company's annual consolidated combined financial statements as at and for the years ended December 31, 2025 and 2024, together with the related notes thereto (the "Annual Financial Statements").

Except as otherwise indicated or where the context otherwise requires, references to "WELLSTAR" or the "Company" include WELLSTAR Technologies Corp. and its subsidiaries. WELLSTAR prepares its consolidated combined financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**" or "**IFRS**").

All dollar figures stated herein are presented in thousands of Canadian dollars (\$'000 or Cdn\$'000), unless otherwise specified, except share and per share amounts.

The date of this Annual MD&A is prepared as of April 22, 2026.

Company Background

WELLSTAR was established by its parent company WELL Health Technologies Corp. ("WELL") to consolidate its healthcare technology businesses into a dedicated standalone organization. Previously operating as WELL Provider Solutions, these businesses had been developed within WELL alongside its clinic operations. The creation of WELLSTAR reflects WELL's strategy to separate its healthcare technology operations from its clinic operations, establishing a dedicated healthcare technology company with its own management team, capital structure and growth strategy while continuing to benefit from WELL's strategic support, healthcare ecosystem and long-standing industry relationships. Management believes this structure is intended to provide greater transparency into the financial and operating performance of WELLSTAR's healthcare technology business while enabling each business to pursue its own strategic priorities.

Consistent with WELL's publicly announced strategy, WELLSTAR has been established with the objective of pursuing a future separation from WELL through a public listing. While the timing, structure and completion of any such transaction remain subject to market conditions, regulatory approvals and other customary conditions, management believes that operating as a standalone public healthcare technology company would enhance WELLSTAR's ability to access capital, pursue strategic acquisitions using its own equity as acquisition currency, and support its long-term growth strategy. WELL is expected to remain the Company's controlling shareholder following any such transaction.

As part of this strategy, WELLSTAR has taken a number of significant steps to establish itself as a standalone business and prepare for a potential public listing. In December 2024, the Company completed a private placement offering of Series A preferred share financing raising gross proceeds of approximately \$50 million. This was followed by a private placement offering of Series B preferred share financing in December 2025, which raised gross proceeds of approximately \$62 million. Together, these financings strengthened the Company's capital position, supported continued investment in technology and strategic acquisitions, and advanced WELLSTAR's evolution as an independent healthcare technology company.

As a standalone business, WELLSTAR's strategy is focused on delivering long-term growth through a combination of organic expansion, continued investment in software, artificial intelligence, interoperability and product innovation, together with disciplined strategic acquisitions that complement and expand the Company's integrated healthcare technology platform. The Company intends to leverage its integrated healthcare technology platform, broad customer base and strategic relationship with WELL to drive innovation, deepen customer relationships and expand its product and service offerings in support of healthcare providers and health systems across Canada.

Corporate History

The Company was incorporated under the Business Corporations Act (British Columbia) on October 18, 2024 by its parent company, WELL. The Company's head office is located at Suite 550 - 375 Water Street, Vancouver, British Columbia, V6B 5C6.

On December 6, 2024, WELL completed an internal reorganization (the "Reorganization") pursuant to which WELLSTAR acquired the EMR, Billing and Practice Management, and Digital Apps businesses previously owned and operated by WELL and its subsidiaries. As part of the Reorganization, WELLSTAR issued Multiple Voting Shares to WELL, resulting in WELL holding a 100% voting interest in WELLSTAR.

The Reorganization was accounted for as a business combination under common control using predecessor accounting. Accordingly, the acquired businesses were recognized at their carrying values as reflected in WELL's consolidated financial statements, with the difference between the consideration issued and the carrying value of the net assets acquired recorded directly in retained earnings. For financial reporting purposes, the annual consolidated financial statements for periods prior to and including the Reorganization have been prepared on a consolidated combined standalone basis derived from WELL's consolidated financial statements. From December 7, 2024 onward, the Annual Financial Statements represent the consolidated financial statements of WELLSTAR.

The historical results of operations and cash flows presented for periods prior to the Reorganization may not be indicative of the results that would have been achieved had WELLSTAR operated as an independent standalone entity during those periods, nor are they necessarily indicative of future results. For periods prior to and through the Reorganization, the consolidated combined statements of loss and comprehensive loss include revenues and costs directly attributable to the Company, together with allocations of certain corporate functions historically provided by WELL, including executive management, corporate development, finance, tax, audit, legal, information technology, human resources and risk management services.

FORWARD-LOOKING INFORMATION

Certain statements in this Annual MD&A may constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include, but is not limited to, statements regarding the Company's goals, expected costs, objectives, growth strategies, product roadmap, acquisition strategy, customer acquisition and retention expectations, anticipated operational efficiencies, integration of acquired businesses, expected benefits from artificial intelligence and other technology solutions, expected financing requirements, management's beliefs, plans, estimates and intentions, the Company's future shareholders, the Company's ability to continue executing its growth strategy, and the means by which it may do so, management's expectations regarding recent infrastructure investments, the continued expansion of Nexus AI™ and WELLSTAR's Billing and Practice Management operations, the sufficiency of the Company's liquidity, the impacts of the adoption of IFRS 18 on the Company's consolidated combined financial statements, and the Company's ability to secure future funding.

Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "target", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management.

Forward-looking information involves risks and uncertainties that could cause actual results to differ materially from those contemplated by such information. Factors that could cause such differences include, among others, the highly competitive nature of the healthcare technology industry, government regulation and funding, privacy and cybersecurity risks, reliance on third-party software and technology infrastructure, integration risks associated with acquisitions, the timing and availability of financing, market acceptance of the Company's products, and other risk factors described under "Risks and Uncertainties" in this Annual MD&A.

Although the forward-looking information contained in this Annual MD&A is based upon assumptions that management believes to be reasonable, there can be no assurance that actual results will be consistent with such forward-looking information. Except as required by applicable law, the Company undertakes no obligation to update forward-looking information, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

WELLSTAR is a leading Canadian healthcare technology company focused on improving health outcomes through digital enablement. WELLSTAR provides a comprehensive suite of technology-enabled solutions for primary care physicians, specialists, health systems, and public sector organizations, including electronic medical records (EMRs), AI-enabled digital health applications, patient engagement and eReferral solutions, billing and back-office services, and IT management. By leveraging innovative technologies to reduce administrative burden, enhance operational efficiency, and empower healthcare providers, WELLSTAR is helping transform healthcare delivery and improve patient outcomes across Canada.

The Company delivers its products and services through an integrated, digital health platform across three principal product lines (i) Clinical Platform Group, (ii) Digital Health Networks and (iii) Billing and Practice Management. Together, these product lines address the full operational lifecycle of a clinical practice from patient intake and clinical documentation to revenue cycle management and IT infrastructure.

WELLSTAR's AI strategy is centered on healthcare provider enablement. By embedding advanced administrative and decision support capabilities directly into all product lines, WELLSTAR aims to reduce the cognitive load and administrative burden placed on healthcare providers and to allow them to reclaim time that can be redirected towards patient care and increased patient capacity. The clinical environment is intended to function as a semi-autonomous hub in which AI agents handle routine administrative tasks, with the objective of supporting a more efficient, data-driven model of care delivery across the Canadian healthcare system.

To execute on this strategy, WELLSTAR has developed an agentic AI ecosystem anchored by the Nexus AI™ platform. The strategy is designed to transition WELLSTAR from a provider of discrete digital tools to an orchestrator of integrated, autonomous clinical workflows. Leveraging WELLSTAR's existing technological footprint, the Nexus AI™ platform will move beyond generative AI assistance towards agentic solutions capable of autonomously planning and executing complex healthcare workflows, including AI intelligent inbox triaging, automated medical

coding, and proactive patient follow-ups. This agentic AI foundation across the platform supports the delivery of more connected end-to-end clinical and administrative workflows across each of WELLSTAR's product lines.

The three principal product lines are summarized as follows:

(i) Clinical Platform Group ("CPG"). CPG operates one of Canada's leading electronic medical record ("EMR") platforms, anchored by OSCAR Pro and also including AwareMD and Healthquest, providing healthcare providers with a comprehensive suite of clinical and administrative solutions that support care delivery and practice management. An EMR platform is the core software healthcare providers use to run their practices. WELLSTAR's platform includes core EMR functionality, integrated billing and financial reporting, e-prescribing, scheduling, and patient management tools. Complementing the EMR is the Nexus AI™ platform, which embeds AI-enabled capabilities such as clinical documentation assistance, intelligent triage, and clinical decision support to streamline workflows and reduce administrative burden. CPG also offers an EMR-agnostic Applications Marketplace that enables healthcare providers to securely access and integrate a broad range of third-party digital health applications, extending platform functionality and supporting an interoperable healthcare ecosystem.

(ii) Digital Health Networks ("DHN"). DHN is led by OceanMD, an EMR-integrated platform that connects patients, healthcare providers, and health systems through digital workflows, including online appointment booking, secure patient messaging, automated intake and check-in, eReferral, eConsult, and related provider network functionality. Integrated directly within electronic medical records (both WELLSTAR and third-party) and hospital information systems, OceanMD is designed to replace paper-based and fax-dependent processes with digital, data-driven workflows that improve referral routing and tracking, reduce administrative burden for healthcare providers, and support more timely, coordinated patient care across the healthcare system.

(iii) Billing and Practice Management ("BPM"). BPM provides revenue cycle management, billing, practice management, and healthcare IT and cyber solutions that support the operational and financial performance of healthcare providers across Canada. Through DoctorCare, ClinicAid, PatientSERV, Lambert, and related billing platforms, BPM delivers insured, uninsured, and third-party billing services, claims management, reimbursement workflows, reporting, collections, and virtual medical office assistant services that are integrated into existing clinic workflows to improve billing accuracy, reduce administrative burden, and support efficient revenue cycle management. The product line also includes BlueBird IT, a healthcare-focused managed IT and cyber services provider that delivers network infrastructure, cybersecurity, data protection, EMR optimization, interoperability solutions, technical support, and strategic technology services to clinics, pharmacies, dental practices, and other healthcare organizations.

These product lines address the full operational lifecycle of a clinical practice, from patient intake, scheduling, clinical documentation and referral management to billing, revenue cycle management, reporting, collections and clinic technology infrastructure.

The Company is majority-owned by WELL and maintains a close strategic relationship with WELL. This relationship provides access to healthcare operating expertise, clinical workflow insight, shared services support and opportunities to deploy technology solutions across a broad practitioner and clinic network, while the Company maintains its own product strategy, operating cadence and financial reporting.

OVERALL PERFORMANCE

Financial Highlights

In 2025, WELLSTAR completed its first full fiscal year as an independent entity following the Reorganization that took place on December 6, 2024. During the year, the Company continued to execute on its growth strategy through a combination of organic expansion and strategic acquisitions, resulting in strong growth across its products and services.

For the year ended December 31, 2025, total revenue increased to \$72,227, a 62% increase over the prior year of \$44,716, reflecting contributions from acquisitions completed since the Reorganization together with continued organic growth across the business. Operating income for the year ended December 31, 2025 was \$7,489, compared to \$2,289 in the prior year, driven by higher revenue and operating leverage. Adjusted EBITDA¹ increased 67% to \$16,495, representing an Adjusted EBITDA Margin² of 23%, compared to \$9,851, or an Adjusted EBITDA Margin of 22%, in 2024. Net loss for the year ended December 31, 2025 was \$6,195 compared to \$3,963 for the year ended December 31, 2024. Management believes these results reflect the continued execution of the Company's strategy to expand its healthcare technology platform through a combination of organic growth, strategic acquisitions and ongoing investment in AI-enabled solutions.

¹Adjusted EBITDA is a non-IFRS financial measure. Refer to section "Non-IFRS and Supplementary Financial Measures".

²Adjusted EBITDA Margin is a non-IFRS financial measure. Refer to section "Non-IFRS and Supplementary Financial Measures".

Business Highlights

Advancement of AI Strategy and Nexus AI™ Platform

During 2025, the Company advanced its AI strategy through the launch of Nexus AI™, its proprietary agentic AI platform, initially focused on AI-powered clinical documentation and workflow automation.

Nexus AI™ is designed to integrate AI capabilities across the Company's healthcare technology platform, supporting clinical documentation, workflow optimization, and decision support within provider workflows. Adoption increased during the year, supported in part by the Company's participation as a vendor in the Canada Health Infoway AI Scribe Program, a national initiative that provides eligible primary care clinicians across Canada with fully funded, one-year licenses for AI-powered clinical documentation tools. In addition to customer-facing applications, the Company expanded the use of AI across internal operations, including engineering, customer support, and administrative functions, with the objective of improving productivity, operational efficiency, and service delivery.

Ontario Health eReferral Contract Award

During 2025, OceanMD was awarded province-wide contracts by all six Ontario Health regions following a competitive procurement process for eReferral services.

The award represents a significant expansion of the Company's Digital Health Networks business and supports the continued deployment of OceanMD's interoperability platform across Ontario. Management believes the contract further strengthens the Company's relationships with provincial health authorities and healthcare providers while supporting broader adoption of digital referral and care coordination workflows.

Continued Platform Expansion and Infrastructure Modernization

Throughout 2025, the Company continued to enhance its integrated healthcare technology platform through investments in product development, platform integration, and infrastructure modernization.

Organic growth was supported by increased adoption of AI-enabled capabilities, continued expansion of OceanMD and BPM growth in recurring revenue from existing customers, and additional cross-selling opportunities across the Company's product portfolio. During the year, the Company also completed a large-scale migration of its cloud hosting infrastructure to a new provider, improving platform scalability, reliability, security, and long-term operating efficiency. While these infrastructure investments increased operating costs during the year, management expects they will support future operating leverage and continued platform growth.

Strategic Acquisitions and Platform Integration

Strategic acquisitions continued to be an important component of the Company's growth strategy during 2025.

The Company completed and advanced the integration of acquired businesses to expand its capabilities across billing, practice management, and healthcare technology solutions, while maintaining an active pipeline of acquisition opportunities. Management continued to evaluate potential transactions using disciplined financial, operational, technical, cybersecurity, and strategic due diligence, pursuing acquisitions that complement the Company's platform and support long-term recurring revenue growth.

Leadership and Governance

During 2025, the Company continued to strengthen its executive leadership team and corporate governance framework through the appointment of additional independent directors with expertise in finance, healthcare, technology, and public company governance. These appointments further enhance the Board's oversight capabilities and support the Company's continued execution of its growth strategy and public company governance objectives.

Recent Developments

New Product Launches

On May 7, 2025, the Company announced the launch of Nexus AI™, a new AI-powered clinical documentation solution available across Canada. The product is initially focused on AI scribing and will expand through partnerships across the WELL ecosystem. Nexus AI™ is supported by government funding for up to 10,000 providers through Canada Health Infoway's AI Scribe pilot program. The solution is EMR-

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agnostic, integrated with systems such as OSCAR Pro, Healthquest, and Profile, and built with enterprise-grade security in collaboration with CYBERWELL and BlueBird IT. Its underlying models are powered by Mutuo Health Solutions and developed by teams from the University of Toronto. The Company is positioning Nexus AI™ as part of a broader strategy to create interoperable and intelligent tools for clinicians, clinics, and patients.

Acquisitions

On October 28, 2025, WELLSTAR exercised its option to acquire the 49% non-controlling interest in Doctor Services Group Inc. for total consideration of \$1,286, consisting of cash, share consideration and deferred payments.

On November 1, 2025, WELLSTAR acquired a 58.66% interest in Mutuo Health Solutions Inc. from HEALWELL AI Inc., a related party under common control. Mutuo is the developer of the AutoScribe platform that powers WELLSTAR's Nexus AI™ Medical Scribe.

On December 1, 2025, WELLSTAR acquired 100% of PatientSERV Corporation, a billing support service provider incorporated in Canada. PatientSERV helps physicians manage uninsured medical services through technology and support for billing, payment collection, communications and reporting.

On February 1, 2026, the Company completed the acquisition of a 60% interest in Lambert Médico Factures Inc., a Québec-based medical billing services provider, for total purchase consideration of \$1,244, consisting of cash, WELLSTAR subordinate voting shares and a working capital holdback. The acquisition expanded the Company's Billing and Practice Management operations into Québec.

On February 20, 2026, the Company exercised warrants with Mutuo at an exercise price of \$0.754 per warrant share for a total payment of \$1,000 and delivered a binding notice of intention to exercise its call option to acquire the remaining ownership interest in Mutuo for an aggregate exercise price of \$6,128, of which \$4,086 will be payable in cash and Company subordinate voting shares with the balance payable under the terms of a time-based earnout arrangement.

On April 1, 2026, the Company completed the acquisition of Sherritt Services Inc., a billing and virtual medical office assistant services provider based in Alberta, for estimated consideration of \$3,208, subject to working capital adjustments. Together with Lambert, the Sherritt acquisition is expected to expand WELLSTAR's Billing and Practice Management operations across six provinces.

In addition to business acquisitions, the Company made two strategic investments during 2025 to support its AI, workflow automation and healthcare technology strategy for a total amount of \$1,712.

Contracts and Awards

On May 28, 2025, the Company announced that its subsidiary, OceanMD, was selected as a recipient of Canada Health Infoway's 2025 Vendor Innovation Program. The program supports the development and implementation of real-world interoperability solutions aligned with national digital health priorities. The selected projects aim to enhance data quality, care coordination, and access to standardized health information across Canada, with deployments planned in five provinces.

On November 13, 2025, WELLSTAR announced that OceanMD was awarded a material provincial eReferral contract following a competitive procurement process. The award supports the Company's strategy to expand patient engagement, interoperability and eReferral solutions across Canadian health systems.

Financings

On December 11, 2024, the Company issued a private placement offering of 50,377,500 Series A Preferred Shares for gross proceeds of \$50,378 (net proceeds of \$47,645 after cash issuance costs) and 2,285,375 broker warrants with a term of two years entitling holders to acquire 2,285,375 Series A Preferred Shares at an exercise price of \$1.00 per share. On December 5, 2025, the Company issued a private placement offering of 41,352,598 Series B Preferred Shares for gross proceeds of \$62,029 (net proceeds of \$57,832 after cash issuance costs) and 1,770,000 broker warrants with a term of two years entitling holders to acquire 1,770,000 Series B Preferred Shares at an exercise price of \$1.50 per share.

OUTLOOK

Management expects to continue executing its strategy of expanding WELLSTAR's healthcare technology platform through a combination of organic growth, cross-selling and upselling across its existing customer base, increased adoption within the WELL Health clinic network, provincial procurement opportunities, and selected strategic acquisitions. The Company intends to continue investing in AI-enabled

solutions, interoperability, billing and revenue cycle management, clinic workflow solutions, and healthcare IT infrastructure to enhance its integrated platform and strengthen recurring revenue streams.

Key operational priorities include the continued integration of recent acquisitions, including PatientSERV, Mutuo, Lambert, and Sherritt; expansion of billing and revenue cycle management capabilities across Canadian provincial markets; commercialization and deployment of AI-enabled clinical documentation and workflow solutions; continued growth of OceanMD and other patient engagement and interoperability offerings; and ongoing investment in platform scalability, cybersecurity, and customer support.

Management believes these initiatives will support increased customer adoption, deeper platform integration, recurring revenue growth, and improved operating leverage over time, subject to market conditions, customer adoption, regulatory requirements, successful integration of acquisitions, and the availability of capital.

NON-IFRS AND SUPPLEMENTARY FINANCIAL MEASURES

This Annual MD&A may make reference to certain non-IFRS financial measures and non-IFRS ratios. These measures and ratios are not recognized measures under IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS Accounting Standards. They are therefore unlikely to be comparable to similar measures presented by other companies.

Management uses non-IFRS financial measures and ratios, including Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA attributable to WELLSTAR Shareholders (or Shareholder EBITDA), Adjusted EBITDA attributable to non-controlling interests and Adjusted Net Income and Adjusted Net Income Per Share as supplemental indicators of financial and operating performance. These measures are provided to complement IFRS measures by providing further understanding of the Company's results from management's perspective and should not be considered in isolation or as substitutes for financial information prepared in accordance with IFRS.

Adjusted Gross Profit and Adjusted Gross Margin

- Adjusted Gross Profit is defined as revenue less cost of sales, excluding depreciation and amortization.
- Adjusted Gross Margin is defined as Adjusted Gross Profit as a percentage of total product line or consolidated revenue, as applicable.

Adjusted Gross Profit and Adjusted Gross Margin should not be construed as alternatives for revenue or net income (loss) determined in accordance with IFRS. The Company believes that Adjusted Gross Profit and Adjusted Gross Margin are meaningful metrics that are often used by readers to measure the Company's efficiency of selling its products and services.

Adjusted EBITDA and Adjusted EBITDA Margin

- Adjusted EBITDA is defined as net income (loss) before interest income and expense, taxes, depreciation and amortization less net rent expense on premises leases accounted for as right-of-use leases under IFRS 16, and before share-based compensation expense, time-based earnout expense, foreign exchange gains and losses, changes in the fair value of financial assets, impairment charges, transaction, restructuring, integration and go-public costs, legal settlements and defence costs, and gains/losses that are not reflective of ongoing operating performance.
- Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of total revenue.

The Company uses Adjusted EBITDA and Adjusted EBITDA Margin as supplemental measures to assess its operating performance, evaluate period-to-period trends and support comparisons across its businesses by excluding items that management does not consider indicative of ongoing operating performance. These measures should not be considered in isolation or as substitutes for net income (loss) or other measures of financial performance determined in accordance with IFRS Accounting Standards.

Adjusted EBITDA Attributable to WELLSTAR Shareholders

- The Company defines Adjusted EBITDA attributable to WELLSTAR Shareholders (or Shareholder EBITDA) and Adjusted EBITDA attributable to non-controlling interests as the sum of the Adjusted EBITDA for each relevant legal entity multiplied by WELLSTAR's or the non-controlling interests' equity ownership, respectively.

Adjusted Net Income and Adjusted Net Income Per Share

- The Company defines Adjusted Net Income as net income (loss), after excluding the effects of share-based compensation expense, amortization of acquired intangible assets, interest accretion of redeemable preferred shares, time-based earnout expense,

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changes in the fair value of financial assets, impairment charges, gains/losses that are not reflective of ongoing operating performance and non-controlling interests.

- Adjusted Net Income Per Share is Adjusted Net Income divided by the weighted average number of shares outstanding.

The Company believes that these non-IFRS financial measures provide useful information to analyze results, enhance a reader's understanding of past financial performance and allow for greater understanding with respect to key metrics used by management in decision making. More specifically, the Company believes Adjusted Net Income is a financial metric that tracks the earning power of the business that is available to WELLSTAR shareholders.

Annual Recurring Revenue ("ARR")

- ARR is a supplementary financial measure representing the annualized value of recurring subscription, support, maintenance, platform access and recurring billing or revenue cycle management arrangements in effect at the end of the reporting period. ARR excludes non-recurring implementation, onboarding, hardware, project-based professional services and other one-time revenue. Management uses ARR to assess the scale and growth of the Company's recurring revenue base, the visibility of future revenue and the impact of new customer wins, customer expansions, pricing changes, churn and acquisitions.

The Company believes this supplementary financial measure provides useful information to investors because it helps evaluate the scale and growth of the Company's recurring revenue base and the visibility of revenue from existing customer arrangements; however, ARR is not a standardized financial measure under IFRS Accounting Standards, may not be comparable to similar measures used by other issuers and should not be considered a substitute for revenue recognized in accordance with IFRS Accounting Standards.

SELECTED FINANCIAL INFORMATION

The following table provides selected financial information for the years ended December 31, 2025 and 2024. The results of operations from acquired businesses and entities are included from their respective dates of acquisition. The financial statements for periods prior to and through the date of the Reorganization, as described under "Background" in this Annual MD&A, have been prepared on a consolidated combined standalone basis and were derived from the consolidated financial statements and accounting records of WELL. The financial statements for the period from December 7, 2024 through December 31, 2025 are consolidated financial statements of the Company. The table includes non-IFRS financial measures and reconciliations of such measures to their most comparable IFRS measure.

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Revenue	72,227	44,716
Cost of sales (excluding depreciation and amortization)	18,274	9,042
Adjusted Gross Profit ⁽¹⁾	53,953	35,674
Adjusted Gross Margin ⁽¹⁾	74.7%	79.8%
Operating income	7,489	2,289
Adjusted EBITDA ⁽¹⁾	16,495	9,851
Net loss and total comprehensive loss	(6,195)	(3,963)
Net loss attributable to owners of WELLSTAR Technologies Corp.	(6,683)	(4,102)
Adjusted Net Income⁽¹⁾	11,704	6,681
ARR⁽¹⁾	74,892	54,044
	Year Ended December 31, 2025	For the period December 7, 2024 to December 31, 2024
Loss per share, basic	\$(0.03)	\$0.00
Loss per share, diluted	\$(0.03)	\$0.00
Adjusted net income per share ⁽¹⁾	\$0.05	\$0.00

For the year ended December 31, 2025, WELLSTAR generated revenue of \$72,227, compared to \$44,716 for the year ended December 31, 2024, representing an increase of \$27,511 or 62%, driven by a combination of acquisitions and organic growth. Net loss and total

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comprehensive loss for the year ended December 31, 2025 was \$6,195, compared to \$3,963 in 2024. Adjusted EBITDA for the year ended December 31, 2025 was \$16,495 (23% of revenue) compared to \$9,851 (22% of revenue) for the year ended December 31, 2024, representing an increase of 67%.

Financial Position

(in thousands of Canadian dollars)

	December 31, 2025	December 31, 2024
Cash	69,944	32,835
Total current assets	93,985	42,090
Total assets	209,642	141,864
Total current liabilities	22,857	13,439
Total non-current financial liabilities	113,955	47,469
Total non-current other liabilities	10,486	11,958
Total equity	62,344	68,998

As at December 31, 2025, WELLSTAR had cash of \$69,944, total assets of \$209,642, total liabilities of \$147,298 and total equity of \$62,344.

Reconciliation of Net Loss to Adjusted EBITDA⁽¹⁾

(in thousands of Canadian dollars)

	Year ended December 31, 2025	Year ended December 31, 2024
Net loss and total comprehensive loss	(6,195)	(3,963)
Interest income	(1,136)	—
Interest expense	8,841	510
Income tax expense	1,355	236
Depreciation and amortization	6,728	5,511
Rent expense on right-of-use assets	(623)	(516)
Share-based compensation	2,241	2,398
Time-based earnout expense	5,111	5,080
Foreign exchange (gain) loss	(12)	8
Changes in fair value of financial assets	(1,404)	—
Transaction, restructuring and integration costs	1,589	587
Adjusted EBITDA⁽¹⁾	16,495	9,851
Adjusted EBITDA attributable to WELLSTAR shareholders⁽¹⁾	15,304	9,607
Adjusted EBITDA attributable to non-controlling interests⁽¹⁾	1,191	244

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Reconciliation of Net Loss to Adjusted Net Income⁽¹⁾

(in thousands of Canadian dollars)

	Year ended December 31, 2025	Year ended December 31, 2024
Net loss and total comprehensive loss	(6,195)	(3,963)
Amortization of acquired intangible assets	5,722	3,967
Interest accretion of redeemable preferred shares	8,654	409
Time-based earnout expense	5,111	5,080
Share-based compensation	2,241	2,398
Changes in fair value of financial assets	(1,404)	—
Non-controlling interest included in net loss, exclusive of other adjustments	(880)	(139)
Tax effect on adjustments	(1,545)	(1,071)
Adjusted Net Income⁽¹⁾	11,704	6,681

Note:

1. Refer to "Non-IFRS and Supplementary Financial Measures" for a description of the non-IFRS and supplementary financial measures presented here.

RESULTS OF OPERATIONS

Revenue

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Subscriptions and support services	60,048	40,054
Professional services and other	12,179	4,662
Total revenue	72,227	44,716
Revenue by product line:		
Clinical Platform Group ("CPG")	27,715	18,225
Billing and Practice Management ("BPM")	25,289	13,617
Digital Health Networks ("DHN")	19,223	12,874
Total revenue	72,227	44,716
ARR⁽¹⁾	74,892	54,044

Note:

1. Refer to "Non-IFRS and Supplementary Financial Measures" for a description of the non-IFRS and supplementary financial measures presented here.

For the year ended December 31, 2025, WELLSTAR generated revenue of \$72,227, compared to \$44,716 for the year ended December 31, 2024, representing an increase of \$27,511 or 62%. The increase was driven by a combination of acquisitions and organic growth, including the full-year post-acquisition contributions from Microquest and BlueBird iT, contributions from 2025 acquisitions Mutuo and PatientSERV, and strong organic growth across the platform led by OceanMD, which increased by \$6,349 compared to 2024.

Subscription and support services revenue was \$60,048, representing 83% of total revenue, compared to \$40,054 and 90% of total revenue in 2024. Professional services and other revenue was \$12,179, representing 17% of total revenue, compared to \$4,662 and 10% of total revenue in 2024. The increase in the mix of professional services and other revenues is primarily related to the acquisition of BlueBird iT in 2024, which has a higher percentage of professional services and hardware revenue.

On a product line basis, revenue growth was led by BPM, which increased by \$11,672, or 86%, to \$25,289, compared to \$13,617 in 2024. The increase was primarily attributable to the full-year contribution from BlueBird iT, which increased by \$10,963 compared to 2024, together with growth in billing and practice management activities, including DoctorCare and the partial-period contribution from PatientSERV. CPG revenue increased by \$9,490, or 52%, to \$27,715, compared to \$18,225 in 2024, primarily due to the full-year contribution from Microquest, which increased by \$6,880 compared to 2024, and growth across the Company's EMR, Nexus AI™ and practice-management solutions. DHN revenue increased by \$6,349, or 49%, to \$19,223, compared to \$12,874 in 2024, primarily due to OceanMD growth from expanded deployments, higher transaction volumes and eReferral contract revenue, most notably from the enterprise contract with Ontario awarded in the third quarter of 2025.

ARR increased to \$74,892 as at December 31, 2025, compared to \$54,044 as at December 31, 2024. The increase was primarily attributable to recurring revenue contributions from acquired businesses, including PatientSERV and Mutuo, together with organic expansion in OceanMD, EMR and billing and practice management offerings.

Cost of Sales (excluding depreciation and amortization)

Cost of sales, excluding depreciation and amortization, consists primarily of direct costs required to deliver and support the Company's products and services, including implementation, onboarding and direct core service delivery labour costs, third-party hosting fees, payment processing costs and hardware deployment costs.

For the year ended December 31, 2025, cost of sales, excluding depreciation and amortization, was \$18,274, an increase of \$9,232, or 102%, compared to \$9,042 for the year ended December 31, 2024. The increase was primarily attributable to the full-year contribution of acquired operations, including BlueBird iT, whose cost of sales includes hardware and associated deployment costs, which contributed \$5,740 of the increase, and Microquest, whose cost of sales primarily relates to cloud hosting costs, which contributed \$518 of the increase, in addition to higher infrastructure costs to support increased volumes across CPG and DHN products and services, and salaries related to billing and practice management delivery costs.

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Adjusted Gross Profit and Adjusted Gross Margin⁽¹⁾

(in thousands of Canadian dollars)

	Year ended December 31, 2025	Year ended December 31, 2024
Revenue	72,227	44,716
Cost of sales (excluding depreciation and amortization)	18,274	9,042
Adjusted Gross Profit	53,953	35,674
Adjusted Gross Profit by product line:		
CPG	19,144	13,773
BPM	17,937	10,956
DHN	16,872	10,945
Adjusted Gross Profit	53,953	35,674
Adjusted Gross Margin	74.7%	79.8%
Adjusted Gross Margin by product line:		
CPG	69.1%	75.6%
BPM	70.9%	80.5%
DHN	87.8%	85.0%

Note:

1. Refer to "Non-IFRS and Supplementary Financial Measures" for a description of the non-IFRS measures presented here.

Adjusted Gross Profit increased by \$18,279 or 51% to \$53,953 for the year ended December 31, 2025, compared to \$35,674 in 2024. The increase in Adjusted Gross Profit reflected higher revenues, including growth from acquisitions completed in 2025, the full year of contributions from Microquest and BlueBird iT, in addition to organic growth across the platform.

Adjusted Gross Margin decreased to 74.7% in 2025 from 79.8% in 2024. The decrease was primarily due to revenue mix and product line margin changes. BPM Adjusted Gross Margin decreased to 70.9% from 80.5%, reflecting the full-year contribution from BlueBird iT and a higher mix of lower-margin hardware, deployment and IT support services, together with higher billing and RCM delivery costs. CPG Adjusted Gross Margin decreased to 69.1% from 75.6%, reflecting higher hosting, support and infrastructure costs and revenue mix changes within EMR, Nexus AI™ and applications marketplace solutions. These decreases were partially offset by DHN Adjusted Gross Margin increasing to 87.8% from 85.0%, reflecting OceanMD growth, higher transaction volumes and eReferral contract revenue.

General and Administrative Expenses

(in thousands of Canadian dollars)

	Year ended December 31, 2025	Year ended December 31, 2024
Salaries and benefits	25,912	18,245
Professional and consulting fees	8,604	4,836
Information technology	2,555	1,735
Office expenses	1,033	915
Marketing and promotion	535	582
Other	1,013	663
Government grants and assistance	(2,145)	(1,508)
Total general and administrative expenses	37,507	25,468

General and administrative expenses increased by \$12,039 or 47% to \$37,507 or 51.9% of revenue for the year ended December 31, 2025, compared to \$25,468 or 57.0% of revenue in 2024. The principal drivers were higher salaries and benefits, which increased by \$7,667, or 42%, to \$25,912 in 2025, due to an increase in headcount from recent acquisitions and hiring to support growth, integration, product development, customer support and corporate functions; higher professional and consulting fees, which increased by \$3,768, or 78%, to \$8,604, reflecting acquisition, integration, audit and advisory activities; and higher IT expenses, which increased by \$820, or 47%, to \$2,555,

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due to increased security, cloud and software subscription costs. These increases were partially offset by higher government grants and assistance recognized during the period.

Depreciation and Amortization

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Customer relationships	4,202	3,163
Technology and other	1,236	632
Brands	432	172
Total intangible asset amortization	5,870	3,967
Property and equipment depreciation	858	1,544
Total depreciation and amortization	6,728	5,511

Depreciation and amortization increased by \$1,217 or 22% to \$6,728 in 2025. The increase was primarily due to amortization of customer relationships, technology and brands recognized on the Microquest and BlueBird iT acquisitions, which were completed in December 2024 and increased the amortization expense by \$1,021 compared to 2024, and to a lesser extent, partial-year amortization from Mutuo and PatientSERV, together with higher amortization of internally developed technology assets, partially offset by lower depreciation on right-of-use assets.

Share-Based Compensation

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2025	Year ended December 31, 2024
WELL issued stock options	—	5
WELL issued Restricted Share Units ("RSUs")	608	1,303
WELL issued Performance Share Units ("PSUs")	284	555
Company issued RSUs	453	—
Company issued PSUs	896	—
Allocation from WELL parent for non-Company employees	—	535
Total share-based compensation	2,241	2,398

Share-based compensation decreased by \$157 or 7% to \$2,241 in 2025. WELL issued RSU, PSU and option expense declined compared with 2024, while WELLSTAR issued RSUs and PSUs under its own Omnibus Equity Incentive Plan for the first time in 2025. The net decrease was driven by timing and mix of awards and the absence of parent-company allocations for non-Company employees in 2025.

Interest Income and Interest Expense

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Interest income on cash	(798)	—
Interest income on related party loan	(338)	—
Total interest income	(1,136)	—
Interest on redeemable preferred shares	8,654	409
Interest accretion on leases	65	82
Accretion of discount on deferred acquisition costs	119	18
Other	3	1
Total interest expense	8,841	510

Interest income was \$1,136 in 2025, primarily related to interest earned on cash balances and interest on a related-party loan to WELL.

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Interest expense increased to \$8,841 from \$510 in 2024, primarily due to accretion on the Series A and Series B redeemable preferred shares, issued on December 11, 2024 and December 5, 2025, respectively. Accretion expense on deferred acquisition costs has increased compared to the same period in 2024 due to the Microquest acquisition.

Time-Based Earnout Expense

Time-based earnout expense was broadly consistent year-over-year, increasing by \$31 to \$5,111 in 2025. In 2025, the expense was primarily comprised of earnout expense related to OceanMD and Microquest, which were \$3,445 and \$1,021, respectively. In 2024, the expense was composed primarily of OceanMD, DoctorCare and Kela Atlantic Inc. ("KAI"), which were \$1,911, \$1,894 and \$989, respectively. The time-based earnout expense can vary significantly from period to period based on the terms of time-based earnout milestones for acquisitions.

Gains in the Fair Value of Financial Assets

During the year ended December 31, 2025, the Company recognized a fair value gain on Mutuo call options and warrants of \$1,282 and \$122, respectively, with the fair value measured using the Black-Scholes option pricing model. See Note 9 to the December 31, 2025 Annual Financial Statements for further information.

Other Expenses

For the year ended December 31, 2025, the Company incurred other expenses of \$917 compared to \$426 in 2024. The increase was primarily due to higher restructuring and integration costs related to prior acquisitions and other transaction expenses.

Income Tax Expense

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Current tax expense	3,194	1,107
Deferred tax recovery	(1,839)	(871)
Income tax expense	1,355	236

For the year ended December 31, 2025, the Company recognized income tax expense of \$1,355 comprised of current tax expense of \$3,194 and a deferred tax recovery of \$1,839, as compared to income tax expense of \$236 for the year ended December 31, 2024, comprised of current tax expense of \$1,107 and a deferred tax recovery of \$871. The increase in current income tax expense for the year ended December 31, 2025 related to the Company's change in mix of income or losses in different legal entities, changes in timing of recognition of deferred tax assets as well as overall increase in taxable income from organic growth and acquisitions. Deferred tax expense or recovery is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The deferred tax recovery for the year ended December 31, 2025 and 2024 related primarily to amortization of intangible assets and operating losses.

Cash tax payments, net of refunds, were \$2,089 for the year ended December 31, 2025 compared to cash tax payments, net of refunds of \$780 for the year ended December 31, 2024.

Net Loss

Net loss and total comprehensive loss was \$6,195 for the year ended December 31, 2025, compared to \$3,963 for the year ended December 31, 2024. The increased net loss was primarily due to higher interest expense on Series A and Series B redeemable preferred shares, higher income tax expense and increased general and administrative costs to support investment in growth and integration activities, partially offset by higher operating income and fair value gains on financial assets.

QUARTERLY FINANCIAL HIGHLIGHTS

The following quarterly financial highlights should be read in conjunction with the Annual Financial Statements and related notes. Quarterly revenue and profitability may fluctuate based on timing of acquisitions, implementations, professional services projects, subscription renewals, platform investments, product mix, fair value gains and losses and other activities. As this is the Company's first Annual MD&A, the table below presents quarterly financial information for the four quarters ended December 31, 2025. The Company was incorporated on October 18, 2024 and completed a reorganization on December 6, 2024, and separate quarterly financial statements for the 2024 quarters were not prepared on a comparable standalone basis. Accordingly, the Company has presented the four quarters for 2025, which management believes provides the most meaningful quarterly information available for assessing recent trends.

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<i>(in thousands of Canadian dollars, except per share amounts)</i>	Q4-25	Q3-25	Q2-25	Q1-25
Total revenue	20,358	18,146	16,677	17,046
Operating income (loss)	969	3,514	1,534	1,472
Net loss and total comprehensive loss	(407)	(1,706)	(2,859)	(1,223)
Net loss attributable to owners of WELLSTAR Technologies Corp.	(545)	(1,784)	(2,950)	(1,404)
Net loss per share, basic	0.00	(0.01)	(0.01)	(0.01)
Net loss per share, diluted	0.00	(0.01)	(0.01)	(0.01)
Adjusted Gross Profit ⁽¹⁾	15,446	13,866	12,162	12,479
Adjusted Gross Margin ⁽¹⁾	75.9%	76.4%	72.9%	73.2%
Adjusted EBITDA ⁽¹⁾	4,926	5,163	2,873	3,533
Cash	69,944	21,391	22,581	20,500

Note:

1. Refer to "Non-IFRS and Supplementary Financial Measures" for a description of the non-IFRS measures presented here.

The growth in the Company's quarterly revenue is primarily attributable to acquisitions but also includes organic growth which varies by product line. Quarterly revenue increased through 2025 as acquired businesses contributed additional revenue and organic growth continued in OceanMD and other product areas. Adjusted EBITDA varied by quarter based on product mix, timing of professional services projects, acquisition timing and operating investments. The Q4-25 cash balance increased significantly following the Series B Preferred Share financing completed in December 2025.

FINANCIAL POSITION

The following table provides selected financial information of the statement of financial position as at December 31, 2025 and 2024:

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<i>(in thousands of Canadian dollars)</i>	December 31 2025	December 31 2024
Assets		
Cash	69,944	32,835
Accounts and other receivables, prepayments and related-party receivables	14,072	9,336
Loan receivable from parent company	10,083	—
Financial assets at fair value through profit and loss	4,113	—
Property and equipment	1,936	1,947
Intangible assets	44,592	40,673
Goodwill	64,902	57,073
Total assets	209,642	141,864
Liabilities and equity		
Accounts payable and accrued liabilities	6,250	3,305
Deferred revenue	2,727	1,977
Deferred acquisition costs	3,599	2,080
Lease liability	1,316	1,681
Warrant liability	1,183	585
Other liabilities	10,132	5,985
Redeemable preferred shares	113,352	47,469
Deferred tax liabilities	8,739	9,784
Total liabilities	147,298	72,866
Equity attributable to owners of WELLSTAR Technologies Corp.	54,782	65,608
Non-controlling interests	7,562	3,390
Total equity	62,344	68,998
Total equity and liabilities	209,642	141,864

Total assets of the Company as at December 31, 2025 were \$209,642, representing an increase of \$67,778 from \$141,864 as at December 31, 2024. The change was related to increases in goodwill and intangible assets of \$11,748 from business acquisitions of PatientSERV and Mutuo and internally generated intangible asset additions partially offset by amortization, and higher available cash resources of \$37,109, due to net cash from operating activities and net proceeds on redeemable preferred shares partially offset by investing activities, which included a \$9,745 loan advanced to the Company's parent. See Note 20 to the Annual Financial Statements for further information. Accounts receivable, prepayments and other assets and receivables from related parties increased by \$4,736 compared to December 31, 2024. In addition, financial assets recorded at fair value through profit or loss increased by \$4,113, reflecting equity investments, Mutuo call option and warrant assets acquired through business combinations, investment activity and fair value gains. See Note 9 to the Annual Financial Statements for further information.

Total liabilities of the Company as at December 31, 2025 were \$147,298, representing an increase of \$74,432 from \$72,866 as at December 31, 2024. The increase related primarily to increases in redeemable preferred shares of \$65,883, deferred acquisition cost liabilities of \$1,519, other liabilities of \$4,147, warrant liabilities of \$598, accounts payable of \$2,945, and deferred revenue of \$750 partially offset by a reduction in deferred tax liabilities of \$1,045 and lease liabilities of \$365.

Net working capital, defined as current assets less current liabilities, increased to a surplus of \$71,128 as at December 31, 2025, compared to a surplus of \$28,651 at December 31, 2024. The increase in surplus primarily related to the higher cash balance of the Company and the loan receivable balance due from the parent, increases in accounts receivable, prepayments and other assets and receivables from related parties, partially offset by higher current liabilities, including accounts payable, deferred acquisition costs, lease liabilities, deferred revenue and other liabilities.

Equity attributable to owners of WELLSTAR decreased to \$54,782 as at December 31, 2025 from \$65,608 as at December 31, 2024, primarily due to the net loss attributable to owners of \$6,683 and equity impacts of common control transactions of \$4,155 and non-controlling interest transactions of \$1,337, partially offset by share-based payment reserve movements of \$1,349.

LIQUIDITY AND CAPITAL RESOURCES

Sources of liquidity

The Company's principal sources of liquidity are cash on hand, cash generated from operations, proceeds from financing activities, support from its parent company where available, and potential access to additional debt or equity capital. The Company's primary near-term cash requirements are to fund operating expenses, working capital, product development, cloud hosting and infrastructure, acquisition integration, redeemable preferred share obligations, lease obligations and strategic growth initiatives.

The Company had cash of \$69,944 as at December 31, 2025, compared to \$32,835 as at December 31, 2024. Based on its cash position, principal sources of liquidity and operating budget, management believes that the Company will have sufficient liquidity to meet its anticipated operating, growth, investment and other financial requirements for at least 12 months from the date of this Annual MD&A.

Cash flows

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Cash provided by (used in) operating activities	7,765	(833)
Cash used in investing activities	(28,420)	(18,726)
Cash provided by financing activities	57,764	50,787
Net change in cash	37,109	31,228
Cash - beginning of period	32,835	1,607
Cash - end of period	69,944	32,835

Operating Activities

Operating activities provided cash of \$7,765 in 2025, compared to cash used of \$833 in 2024. The improvement reflected higher revenue and operating income before non-cash items, including depreciation and amortization, share-based compensation, interest accretion and changes in fair value of financial assets, and favourable working capital movements compared to 2024.

Investing Activities

Investing activities used cash of \$28,420 in 2025, compared to \$18,726 in 2024. The increase was due to:

- Related party loans provided to WELL of \$9,745 in 2025 (2024 - \$nil);
- Cash used for investment in financial assets of \$1,712 in 2025 (2024 - \$nil);
- Cash used related to the settlement of holdbacks of \$1,743 and deferred acquisition costs of \$1,000 in 2025 (2024 - \$nil);
- Cash used related to the development of internally generated assets of \$4,271 (2024 - \$2,316) and the acquisition of property and equipment of \$554 (2024 - \$180).

These increases were partially offset by:

- A decrease in cash used related to business acquisitions compared to 2024, with total cash consideration, net of cash acquired, being \$8,348 for the PatientSERV and Mutuo acquisitions and \$1,047 for the acquisition of the remaining non-controlling interest of Doctor Services Group. In 2024, total cash consideration net of cash acquired for Microquest Inc. and BlueBird iT Solutions Inc. was \$16,230.

Financing Activities

Financing activities provided cash of \$57,764 in 2025, compared to \$50,787 in 2024. The increase was due to:

- An increase in net proceeds from the issuance of redeemable preferred shares. In 2025, the Series B redeemable preferred shares were issued for net cash proceeds of \$58,610. In 2024, the Series A redeemable preferred shares were issued for net cash proceeds of \$47,645; and
- A decrease in lease payments to \$661 in 2025 compared to the prior year of \$1,443.

These increases were partially offset by:

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- The absence of parent contributions from WELL in 2025 (2024 - \$4,797); and
- An increase in distributions to non-controlling interests to \$185 (2024 - \$172)

Redeemable preferred shares

<i>(in thousands of Canadian dollars)</i>	December 31 2025	December 31 2024
Series A Redeemable Preferred Shares	55,527	47,469
Series B Redeemable Preferred Shares	57,825	—
Total redeemable preferred shares	113,352	47,469
Broker warrants liability	1,183	585

On December 11, 2024, the Company issued 50,377,500 Series A Preferred Shares for gross proceeds of \$50,378 (net proceeds of \$47,645 after cash issuance costs) and 2,285,375 broker warrants with a term of two years entitling holders to acquire 2,285,375 Series A Preferred Shares at an exercise price of \$1.00 per share. On December 5, 2025, the Company issued 41,352,598 Series B Preferred Shares for gross proceeds of \$62,029 (net proceeds of \$57,832 after cash issuance costs) and 1,770,000 broker warrants with a term of two years entitling holders to acquire 1,770,000 Series B Preferred Shares at an exercise price of \$1.50 per share.

The Series A and Series B redeemable preferred shares are classified as financial liabilities due to holder redemption features and other contractual terms that meet the definition of a financial liability. The redeemable preferred shares are measured at amortized cost using the effective interest rate method. The warrant liabilities for Series A and Series B were initially recognized at fair value at the issuance date and are subsequently being measured at fair value through profit or loss at each reporting date with the remeasurement recorded as other expenses. The warrants entitle the holders to acquire Series A or Series B redeemable preferred shares.

The redeemable preferred shares may be redeemed at the option of holders after December 31, 2026, and may automatically convert upon a qualifying liquidity event. Certain settlement outcomes may be satisfied in cash or WELL shares, subject to contractual conditions and applicable approvals. Actual settlement may differ from management's current expectations if one or more contingent events occur. The broker warrants issued in connection with the Series A and Series B Preferred Shares have been classified as a financial liability on the consolidated statement of financial position.

RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances and transactions with management

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel consist of the Company's Board of Directors, Chief Executive Officer and Chief Financial Officer. The remuneration of the Company's key management personnel during the years ended December 31, 2025 and 2024 was as follows:

<i>(in thousands of Canadian dollars)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Salaries and benefits	458	108
Share-based compensation	934	535
Total remuneration of key management personnel	1,392	643

On December 11, 2024, the Company issued Series A Preferred Shares to certain members of key management personnel for gross proceeds of \$1,450. On December 5, 2025, the Company issued Series B Preferred Shares to certain members of key management personnel for gross proceeds of \$1,820.

Related party balances and transactions with WELL

For the years ended December 31, 2025 and 2024, WELL charged the Company shared service and management fees of \$4,339 and \$3,150, respectively, for executive management, corporate development, finance, legal, marketing, information technology, human resources and risk management services based on the terms of administrative services agreements executed between the relevant legal entities. WELL also

charged share-based compensation reimbursements of \$892 in 2025 and \$1,863 in 2024 for WELL equity awards granted to the Company's employees.

The Company entered into agreements with WELL and its subsidiaries to deliver or receive goods and services and recognized revenue of \$4,638 and cost of sales of \$170 for the year ended December 31, 2025, compared to revenue of \$1,808 and cost of sales of \$4 in 2024. The related party transactions were made on an arm's length basis.

As at December 31, 2025, the Company had a net receivable due from WELL and its subsidiaries of \$2,694, compared to \$1,552 as at December 31, 2024. In addition, as at December 31, 2025, the Company had a loan receivable balance due from WELL of \$10,083, consisting of principal outstanding of \$9,745 and accrued interest of \$338. The loan bears interest at the Bank of Canada's published overnight target rate plus 2% and has no fixed repayment date unless otherwise agreed, but all principal and accrued interest is due and payable immediately prior to an initial public offering of the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated combined financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Impairment testing of goodwill and intangible assets

The Company tests at least annually whether goodwill and indefinite lived intangibles have suffered any impairment, in accordance with the requirements of IAS 36, "Impairment of Assets". The recoverable amounts of cash-generating units ("CGUs") or groups of CGUs are determined based on the greater of their fair value less costs of disposal and value in use. These calculations, which include a discounted cash flow model, require the use of estimates.

For the purposes of impairment testing, assets are grouped into CGUs that have been identified as being the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows of other assets or groups of assets. The determination of these CGUs and the allocation of goodwill to CGUs or groups of CGUs is based on management's judgment with regards to organizational structure, shared resources and infrastructure, geographical proximity, product type and other relevant factors.

Value in use calculations require management to make certain assumptions, including significant estimates about forecasted revenue levels and growth rates, operating margins, and discount rates. In arriving at its forecasts, the Company considered historical performance, current industry trends, and market opportunities.

Business combinations

On the completion of business acquisitions, management's judgment is required to estimate the fair value of purchase consideration and to identify and estimate the fair values of assets, liabilities, and non-controlling interests. The determination of the fair value of assets and liabilities acquired is based on management's estimates using the excess earnings method and relief from royalty method to value intangible assets using discounted cash flow models. Significant assumptions include revenue growth rates, customer attrition and discount rates.

Recognition of contingent consideration

In certain acquisitions, the purchase consideration transferred by the Company may include contingent consideration which is subject to the acquired business achieving certain performance targets. At the date of acquisition and at each subsequent reporting period, the Company estimates the future performance of acquired businesses, which are subject to contingent consideration, in order to assess the probability that the acquired business will achieve its performance targets and thus earn its contingent consideration. Any change in the fair value of the contingent consideration classified as either a deferred acquisition cost liability at the date of acquisition or as a time-based earn out recognized as expense over time during the post-acquisition requisite service period is included in net income or loss in the period that the change is determined. Changes in fair value arise as a result of various factors, including the estimated probability of the acquired business achieving its earnings targets.

Revenue recognition

The Company recognizes revenue in accordance with IFRS 15, "Revenue from Contracts with Customers". Significant judgments and estimates are required when identifying distinct performance obligations, allocating transaction price amongst performance obligations, estimating usage when transaction prices include fixed and variable consideration, and assessing progress toward completion when recognizing revenue over time. Changes in these judgments and estimates could impact the timing and amount of revenue recognized.

Fair value of financial instruments

The Company uses various valuation methodologies when estimating the fair value of its financial assets and financial liabilities. Fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated using internal and external valuation models including discounted cash flow analysis, option pricing models and other models, as applicable. Fair values determined using valuation models require the use of estimates and assumptions concerning the amount and timing of estimated future cash flows, discount rates, credit risk, and other factors. In determining these assumptions, the Company uses primarily external, readily observable market inputs, including share prices, interest rates, credit spreads and historical share price volatilities, as applicable. Assumptions or inputs that are not based on observable market data are used when external data is unavailable.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

The Company's material accounting policy information is described in Note 3 in the Annual Financial Statements. During the year ended December 31, 2025, the Company changed the classification of certain expenses in the consolidated combined statement of loss and comprehensive loss to provide a more reliable presentation of cost of sales. Comparative figures for the year ended December 31, 2024 were reclassified to conform to the current year presentation, resulting in a net reclassification of \$866 from general and administrative expenses to cost of sales. The reclassification had no impact on total expenses, operating income, net loss or cash flows.

The IASB has issued certain new accounting standards and amendments that will become effective in future periods. The Company is monitoring these standards and amendments and assessing their potential impact on the Company's consolidated combined financial statements, systems, processes and disclosures.

In May 2024, the IASB issued amendments to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures". The amendments clarify the timing of recognition and derecognition of certain financial assets and financial liabilities, including financial liabilities settled using electronic payment systems, and provide additional guidance on the classification of financial assets with contingent features. The amendments also introduce additional disclosure requirements for financial instruments with contingent features and for investments in equity instruments designated at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is assessing the impact of these amendments and does not expect adoption to have a material impact on its consolidated combined financial statements.

In April 2024, the IASB issued IFRS 18, "Presentation and Disclosure in Financial Statements" which will replace IAS 1, "Presentation of Financial Statements". IFRS 18 introduces new requirements for the presentation of income and expenses, including new categories and subtotals in the statement of profit or loss, and enhanced disclosure requirements related to management-defined performance measures. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is assessing the impact of IFRS 18 on its consolidated combined financial statements, including the presentation of operating results and related disclosures.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets, financial liabilities and equity instruments are classified according to the substance of the contractual arrangements and the definitions of these elements under IAS 32, "Financial instruments: Presentation". Financial assets and financial liabilities, including derivatives, are recognized in the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. On initial recognition all financial instruments are recognized at fair value and are subsequently measured based on their classification.

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Classification of financial instruments

<i>(in thousands of Canadian dollars)</i>	December 31 2025	December 31 2024
Financial assets at amortized cost		
Cash	69,944	32,835
Accounts and other receivables	8,608	6,118
Loan receivable from parent company	10,083	—
Receivables from related parties	2,694	1,552
Other current assets	286	786
	91,615	41,291
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	6,250	3,305
Redeemable preferred shares	113,352	47,469
Lease liability	1,316	1,681
Other current liabilities	8,472	5,985
	129,390	58,440
Financial assets at fair value through profit or loss		
Investments, call option and warrant agreement	4,113	—
Financial liabilities at fair value through profit or loss		
Deferred acquisition costs	3,599	2,080
Broker warrants liability	1,183	585
	4,782	2,665

Fair value measurements

The carrying amounts of cash, accounts and other receivables, accounts payable and accrued liabilities, receivables from and payables to related parties, lease liabilities and certain other assets and liabilities measured at amortized cost approximate their fair values due to the short-term maturities of these instruments, unless otherwise noted.

The Company's Series A and Series B preferred shares are classified as financial liabilities as they contain contractual redemption features that are not within the Company's control. The redeemable preferred shares were initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. The fair value of the Series A preferred shares was estimated to be \$56,976 as of December 31, 2025 using a probability-weighted expected return method. The fair value of the Series B redeemable preferred shares was estimated to be \$62,029 as of December 31, 2025, equal to the gross proceeds received upon issuance on December 5, 2025 given the short period of time that had elapsed since issuance.

The Company's investments in Longevity AI, WaiveTheWait and Mutuo warrants and call options are classified as financial assets at fair value through profit or loss and are categorized within Level 3 of the fair value hierarchy. As at December 31, 2025, the fair value of financial assets at FVPL was \$4,113.

The Company also has financial liabilities carried at fair value through profit or loss, consisting of deferred acquisition cost liabilities and broker warrant liabilities. As at December 31, 2025, the fair value of financial liabilities at FVPL was \$4,782, consisting of deferred acquisition cost liabilities of \$3,599 and broker warrant liabilities of \$1,183. The deferred acquisition cost liabilities are estimated using discounted earnings models that use unobservable inputs for revenue and cash flow projections. The broker warrants issued in connection with the Series A and Series B preferred shares have been classified as financial liabilities consistent with the classification of the underlying preferred shares. The fair values of the Series A and Series B broker warrant liabilities were estimated to be \$580 and \$603, respectively, as of

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December 31, 2025, using the Black-Scholes option pricing model. These fair value measurements are categorized within Level 3 of the fair value hierarchy.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from cash, accounts receivable, related-party receivables and other financial assets. The Company manages credit risk by monitoring customer balances, evaluating credit losses periodically and placing cash with high-credit-quality financial institutions.

As at December 31, 2025, the Company had accounts and other receivables of \$8,608, net of expected credit losses of \$441. The expected lifetime credit loss provision for trade receivables is based on historical counterparty default rates and adjusted for relevant forward-looking information as required.

Liquidity risk

Liquidity risk references the Company's ability to meet its financial obligations as they fall due and remain solvent. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. To date, the Company has relied on equity or net parent investment to fund its operations and/or acquisitions and will need to continue to secure additional funding for operations and planned growth and development activities. The Company believes that its principal sources of liquidity are sufficient to fund its operations on an ongoing basis.

The maturities of the contractual cash flows of the Company's financial liabilities are as follows:

<i>(in thousands of Canadian dollars)</i>	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Redeemable preferred shares	139,345	—	139,345	—	—
Broker warrants	1,183	580	603	—	—
Deferred acquisition costs and time-based earnouts	9,396	7,691	1,705	—	—
Lease obligations' minimum payments	1,393	587	806	—	—
Accounts payable and accrued liabilities	6,250	6,250	—	—	—
Working capital holdbacks	1,607	1,607	—	—	—
Other current liabilities	2,140	2,140	—	—	—
Total contractual cash flows	161,314	18,855	142,459	—	—

The terms of the redeemable preferred shares are described in Note 16 of the consolidated combined financial statements. As the redeemable preferred shares are redeemable at the option of the holders for a fixed return at any time after December 31, 2026, the contractual cash flow may differ substantially from the contractual maturities noted in the table above, which is calculated as the redemption value on January 1, 2027 inclusive of cumulative dividends. The broker warrants are convertible into redeemable preferred shares.

Market risk

The Company has limited exposure to market risk. Revenue and costs are primarily denominated in Canadian dollars and the Company has no variable interest rate borrowings or investments. The Company has limited variable interest rate exposure with respect to its loan receivable balance due from WELL. Accordingly, the Company considers its exposure to foreign exchange and interest rate risk to be immaterial and has not performed a sensitivity analysis.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at April 22, 2026, the Company had the following securities issued and outstanding:

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Description of security	Number of securities outstanding	Additional comments
Multiple Voting Shares	249,720,001	
Subordinate Voting Shares	4,372,353	
Series A Redeemable Preferred Shares	50,377,500	Preferred shares convert into a variable number of subordinate voting shares upon certain liquidity events.
Series B Redeemable Preferred Shares	41,352,598	Preferred shares convert into a variable number of subordinate voting shares upon certain liquidity events.
Broker warrants	4,055,375	Broker warrants entitle holders to acquire Series A or Series B preferred shares and, upon exercise, the resulting preferred shares are subject to the preferred share terms
RSUs	2,200,776	
PSUs	3,452,645	
Total, fully diluted	355,531,248	

RISKS AND UNCERTAINTIES

The Company's management believes that the following risks are among the most material risks affecting WELLSTAR's business, financial condition, results of operations, cash flows and future growth prospects. The risks described below are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also impair the Company's business, financial condition, results of operations, cash flows and future growth prospects.

1. Cybersecurity, Privacy and Data Protection

The Company provides healthcare technology solutions that process, store and transmit sensitive personal, health, and financial information. The Company's products and services are used by healthcare providers, clinics, health systems, public sector organizations and patients, and the Company's reputation and business depend on maintaining the confidentiality, integrity and availability of this information.

The Company, its customers, vendors and technology partners are exposed to increasingly sophisticated cybersecurity threats including those enhanced through the use of artificial intelligence and automation.

A cybersecurity incident, privacy breach, loss of data, unauthorized disclosure of health information or material service disruption could result in regulatory investigations, fines, litigation, contractual claims, remediation costs, reputational damage, customer attrition and reduced demand for the Company's products and services. Cybersecurity incidents affecting customer or third-party service providers could also have a material adverse effect on the Company's business.

2. Artificial Intelligence and Technological Change

The Company develops and commercializes AI-enabled healthcare solutions. The legal, regulatory, and professional standards governing the use of AI in healthcare remain uncertain and continue to evolve. Future legislation, regulatory guidance, professional standards, or changes in public acceptance of AI may restrict the development, adoption or commercialization of the Company's AI-enabled products.

AI-enabled products may produce inaccurate, incomplete, or otherwise unreliable outputs. Reliance on inaccurate AI-generated outputs could adversely affect clinical workflows, billing accuracy, or other healthcare processes resulting in reputational harm, customer claims, regulatory scrutiny or reduced adoption of the Company's products.

AI is changing the competitive dynamics and economics of the software-as-a-service market. Increased competition from established technology companies, healthcare software vendors and AI-native competitors may result in pricing pressure or reducing demand for certain of the Company's products. If the Company is unable to innovate and adapt to changing market conditions, its revenue growth, margins, customer retention and valuation may be adversely affected.

3. Public Sector Procurement and Digital Health Initiatives

The Company derives a portion of its revenue and growth opportunities from public sector healthcare organizations and government-sponsored digital health initiatives. Government procurement processes are competitive, lengthy and subject to political, budgetary, administrative and policy considerations that are beyond the Company's control.

Governments may change procurement and funding priorities, delay or cancel initiatives, adopt different technology strategies, or select competing vendors or alternative procurement models. For example, provincial initiatives relating to electronic medical records, interoperability and digital health infrastructure, including the Province of Ontario's proposed Primary Care Medical Record initiative, may create both opportunities and risks for the Company.

If the Company is unsuccessful in securing significant public sector contracts, if government procurement processes are delayed or modified, or if governments adopt procurement models that are not favourable to the Company's business, the Company's revenue growth, competitive position, customer relationships and future growth prospects could be adversely affected.

4. Competition, Customer Retention and Pricing Pressure

The Company operates in highly competitive healthcare technology markets. The Company competes with established healthcare technology providers, emerging technology companies, public sector solutions and other market participants across its product and service offerings.

Competition may increase as healthcare systems seek to consolidate vendors, modernize technology platforms and adopt AI-enabled tools. Competitors may offer lower prices, bundled solutions, broader functionality, faster implementation, deeper integrations or more favourable contractual terms. Public sector initiatives may also favour certain vendors or technology models.

If the Company is unable to retain customers, renew contracts on favourable terms, maintain product differentiation, cross-sell and bundle effectively, or respond to competitive pricing pressure, its revenue, margins, growth prospects and market position may be adversely affected.

5. Technology Platform Reliability, Interoperability and Service Availability

The Company's business depends on the reliability, availability, and performance of its software platforms. Customers rely on these platforms for critical clinical, administrative, and operational workflows.

Software defects, implementation failures, system outages, interoperability issues, capacity constraints or disruptions could interrupt customer operations and reduce confidence in the Company's products.

Material service disruptions or failure to meet customer expectations could result in reputational damage, customer losses, contractual claims, regulatory scrutiny and reduced revenue.

6. Reliance on Third-Party Service Providers

The Company relies on third-party cloud service providers and technology partners to deliver its products and services. The Company's ability to provide reliable, secure and scalable services depends in part on the performance, availability and security of these third parties.

Disruptions, service failures, cybersecurity incidents or insolvency of a key third-party provider could adversely affect the Company's operations. The Company may not be able to replace key third-party providers quickly on commercially reasonable terms or without disruption which could adversely affect its business.

7. Payment Services Regulation

The Company provides billing and payment-related services that may be subject to evolving payment services regulations including the Retail Payment Activities Act. The interpretation and application of these frameworks to the Company's services may continue to evolve.

Compliance with applicable payment services requirements may require the Company to maintain additional governance, operational, risk management and compliance practices which could increase operating costs to the Company's processes, systems, or business practices.

Failure to comply with applicable payment services laws or evolving regulatory expectations could result in investigations, enforcement actions, penalties, restrictions on business activities, reputational harm or disruption to the Company's payment-related services. Changes in payment services regulation may also affect the Company's ability to scale billing and revenue cycle management offerings.

8. Acquisitions and Integration Risk

The Company has pursued and expects to continue pursuing acquisitions to expand its platform, customer base, geographic footprint, product capabilities and revenue base. Recent and planned acquisition activity includes businesses in billing, revenue cycle management, AI-enabled clinical documentation and related healthcare technology services.

Acquisitions involve numerous risks, including integration challenges, customer and employee retention, technology integration, realization of expected synergies, cultural integration, the assumption of unknown liabilities. Acquired businesses may not perform as expected or may require greater investment than anticipated.

If the Company is unable to successfully identify, complete or integrate acquisitions, or if acquisitions fail to generate expected revenue, Adjusted EBITDA, strategic benefits or synergies, the Company's results of operations and growth strategy may be adversely affected.

9. Growth and Operational Scaling

The Company has experienced significant growth through organic expansion and acquisitions and expects to continue scaling its operations. Continued growth requires investment in personnel, systems, product development, cybersecurity, privacy, compliance, and customer support.

Failure to manage growth effectively could result in operational inefficiencies, service quality issues, delayed product development, customer dissatisfaction, compliance challenges or increased costs. If the Company is unable to scale its operations while maintaining service quality and profitability, its financial performance and growth prospects may be adversely affected.

10. Dependence on Key Personnel and Talent

The Company's success depends on the continued service and performance of its senior management team and key employees with expertise in healthcare technology, software development, AI, interoperability, EMR systems, billing, payments, privacy, cybersecurity, sales, finance and public company readiness.

Competition for qualified personnel in healthcare technology and AI is significant. The loss of key personnel, inability to attract and retain talent, failure to integrate leadership and employees from acquired businesses or inability to scale the management team may adversely affect the Company's ability to execute its strategy, develop products, maintain customer relationships, complete acquisitions and prepare for a potential public listing.

11. Intellectual Property and Open-Source Software

The Company relies on proprietary technology, trade secrets, contractual rights, trademarks, copyrights and other intellectual property protections. There can be no assurance that these protections will be sufficient to prevent unauthorized use, copying, reverse engineering or misappropriation of the Company's technology.

The Company may also use open-source software components in its products and services. Open-source licenses may impose obligations relating to use, modification, distribution or disclosure of source code. Failure to comply with applicable open-source license requirements, or successful intellectual property claims by third parties, could result in litigation, increased costs, product redesign, restrictions on product distribution or disclosure of proprietary source code.

12. Related Party Transactions and Dependence on WELL Health Technologies Corp.

WELL Health Technologies Corp. is the Company's controlling shareholder. The Company also receives shared services from WELL and enters into transactions with WELL and its subsidiaries, including administrative, technology, finance, legal, human resources, marketing, information technology, risk management and other services.

Although the Company expects related-party transactions to be conducted on commercially reasonable terms, the existence of a controlling shareholder and ongoing related-party arrangements may create actual or perceived conflicts of interest. The Company may also depend on WELL for services, personnel, systems, support, financing, public company expertise and strategic relationships.

Any disruption to services provided by WELL, changes in the relationship with WELL, conflicts between the interests of WELL and other WELLSTAR securityholders, or inability to transition services on acceptable terms may adversely affect the Company's operations, governance, costs and public listing readiness.

13. Public Listing, Liquidity Event and Preferred Share Obligations

The Company has undertaken activities to prepare for a potential public listing or other liquidity event. There can be no assurance that a public listing or other liquidity event will occur, or that it will occur on terms or within the timeframe expected by management. Market conditions, investor demand, regulatory review, financial reporting readiness, internal controls, business performance, valuation expectations and other factors may delay, prevent or adversely affect a public listing or other liquidity event.

The Company has issued Series A and Series B redeemable preferred shares. The terms of those securities include redemption, conversion and settlement features that may depend on future events, including a qualifying liquidity event. If a liquidity event does not occur or if settlement in shares is unavailable or impractical, the Company may be required to satisfy obligations in cash or otherwise on terms that could affect liquidity and financial flexibility.

The Company may require additional capital to fund acquisitions, product development, compliance, working capital and other growth initiatives. There can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to access capital when required could adversely affect the Company's growth strategy and financial condition.

14. Internal Controls, Financial Reporting and Public Company Readiness

As the Company grows and prepares for a potential public listing, it is required to maintain and enhance its financial reporting, disclosure, governance, risk management and internal control infrastructure. The Company's growth, acquisition activity, related-party transactions, preferred share structure, AI product development and payment services activities increase the complexity of its financial reporting and control environment.

Failure to maintain effective internal controls over financial reporting, disclosure controls, compliance processes or governance practices could result in material misstatements, delayed reporting, regulatory scrutiny, reduced investor confidence or delays in a potential public listing. Remediation of control deficiencies may require additional management attention, staffing, systems investment and professional costs.
