



WELLSTAR TECHNOLOGIES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2026

**Expressed in thousands of Canadian dollars
(Unaudited)**

WELLSTAR TECHNOLOGIES CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

	Three months ended		Six months ended	
	June 30 2026	June 30 2025	June 30 2026	June 30 2025
<i>(in thousands of Canadian dollars)</i>				
Revenue (Note 5)	22,765	16,677	44,286	33,723
Expenses				
Cost of sales (excluding depreciation and amortization)	5,988	4,515	11,349	9,082
General and administrative (Note 6)	12,845	9,051	25,246	18,341
Depreciation and amortization	2,294	1,418	4,590	2,978
Share-based compensation (Note 15)	1,440	166	3,224	322
Foreign exchange loss (gain)	3	(7)	6	(6)
Operating income (loss)	195	1,534	(129)	3,006
Interest income (Note 7)	(402)	(116)	(928)	(227)
Interest expense (Note 7)	6,683	2,045	12,977	4,006
Time-based earnout expense	380	1,633	724	2,794
Losses in the fair value of financial assets (Note 9)	—	—	833	—
Other expenses	239	251	631	508
Loss before income tax	(6,705)	(2,279)	(14,366)	(4,075)
Income tax expense	122	580	672	7
Net loss and total comprehensive loss	(6,827)	(2,859)	(15,038)	(4,082)
Net (loss) income and total comprehensive loss attributable to:				
Owners of WELLSTAR Technologies Corp.	(6,813)	(2,950)	(14,867)	(4,354)
Non-controlling interests	(14)	91	(171)	272
	(6,827)	(2,859)	(15,038)	(4,082)
Loss per share attributable to WELLSTAR Technologies Corp.				
Basic	\$ (0.03)	\$ (0.01)	\$ (0.06)	\$ (0.02)
Diluted	\$ (0.03)	\$ (0.01)	\$ (0.06)	\$ (0.02)
Weighted average number of common shares outstanding				
Basic	255,254,721	253,616,401	254,586,810	253,616,401
Diluted	255,254,721	253,616,401	254,586,810	253,616,401

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

WELLSTAR TECHNOLOGIES CORP.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

<i>(in thousands of Canadian dollars)</i>	June 30 2026	December 31 2025
Assets		
Current		
Cash	64,035	69,944
Accounts and other receivables (Note 8)	9,250	8,608
Loan receivable from parent company (Note 16)	10,289	10,083
Prepayments and other assets	3,586	2,656
Receivables from related parties (Note 16)	227	2,694
Total current assets	87,387	93,985
Financial assets at fair value through profit or loss (Note 9)	1,962	4,113
Prepayments and other assets – non-current	72	114
Property and equipment	1,951	1,936
Intangible assets (Note 10)	45,714	44,592
Goodwill (Note 10)	67,359	64,902
Total assets	204,445	209,642
Liabilities and equity		
Current		
Accounts payable and accrued liabilities	7,295	6,250
Deferred revenue (Note 11)	4,872	2,727
Deferred acquisition costs (Note 12)	2,091	2,628
Lease liability	656	540
Warrant liability (Note 14(b))	1,578	580
Other liabilities (Note 13)	7,604	10,132
Redeemable preferred shares (Note 14(a))	125,872	—
Total current liabilities	149,968	22,857
Warrant liability - non-current (Note 14(b))	—	603
Deferred acquisition costs – non-current (Note 12)	2,077	971
Lease liability – non-current	599	776
Redeemable preferred shares (Note 14(a))	—	113,352
Deferred tax liabilities	7,998	8,739
Total liabilities	160,642	147,298
Equity		
Share capital	253,636	252,470
Share-based payment reserve (Note 15)	4,266	1,349
Accumulated deficit	(218,738)	(199,037)
Equity attributable to owners of WELLSTAR Technologies Corp.	39,164	54,782
Non-controlling interests	4,639	7,562
Total equity	43,803	62,344
Total equity and liabilities	204,445	209,642

Events after the reporting period (Note 19)

Approved by the Directors:

"Hamed Shahbazi"

"Evelyn Sutherland"

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

WELLSTAR TECHNOLOGIES CORP.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)

<i>(in thousands of Canadian dollars)</i>	Number of Multiple Voting Shares	Number of Subordinate Voting Shares	Share Capital	Share-based payment reserve	Accumulated Deficit	Equity Attributable to Owners of WELLSTAR	Non- controlling Interests	Total Equity
Balance at December 31, 2025	249,720,001	3,973,982	252,470	1,349	(199,037)	54,782	7,562	62,344
Exercise of warrants in Mutuo (Note 9)	—	—	—	—	27	27	(350)	(323)
Shares issued on exercise of Mutuo call option (Note 9)	—	1,635,515	1,635	—	—	1,635	—	1,635
Put option issued in respect of Mutuo call option exercise (Note 9 and Note 13)	—	—	—	—	(2,337)	(2,337)	—	(2,337)
Acquisition of non-controlling interest of Mutuo (Note 9)	—	—	—	—	(2,524)	(2,524)	(3,012)	(5,536)
Non-controlling interest arising in business combination (Note 17)	—	—	—	—	—	—	610	610
Shares issued in settlement of deferred acquisition costs (Note 12)	—	162,594	162	—	—	162	—	162
Shares issued for consideration in business combination (Note 17)	—	276,609	277	—	—	277	—	277
Share-based payment expense (Note 15)	—	—	—	2,917	—	2,917	—	2,917
Return of capital to shareholders (Note 16)	—	—	(908)	—	—	(908)	—	(908)
Net loss and comprehensive loss for the period	—	—	—	—	(14,867)	(14,867)	(171)	(15,038)
Balance at June 30, 2026	249,720,001	6,048,700	253,636	4,266	(218,738)	39,164	4,639	43,803

<i>(in thousands of Canadian dollars)</i>	Number of Multiple Voting Shares	Number of Subordinate Voting Shares	Share Capital	Share-based payment reserve	Accumulated Deficit	Equity Attributable to Owners of WELLSTAR	Non- controlling Interests	Total Equity
Balance at December 31, 2024	249,720,001	3,896,400	252,353	—	(186,745)	65,608	3,390	68,998
Net (loss) income and comprehensive loss for the period	—	—	—	—	(4,354)	(4,354)	272	(4,082)
Balance at June 30, 2025	249,720,001	3,896,400	252,353	—	(191,099)	61,254	3,662	64,916

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

WELLSTAR TECHNOLOGIES CORP.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

	Six months ended	
	June 30 2026	June 30 2025
<i>(in thousands of Canadian dollars)</i>		
Cash flows provided by/(used in)		
Operating activities		
Net loss for the period	(15,038)	(4,082)
<i>Adjustments to net loss for non-cash items:</i>		
Interest expense and accretion	12,969	4,005
Depreciation and amortization (Note 10)	4,590	2,978
Share-based compensation expense (Note 15)	3,224	322
Unrealized losses on changes in fair value of financial assets and liabilities (Notes 9 and 14(b))	1,228	—
Deferred income taxes	(1,438)	(1,270)
<i>Change in non-cash operating items:</i>		
Accounts and other receivables	(129)	(580)
Receivables from related parties (Note 16)	1,046	(3,837)
Prepayments and other assets	(871)	(908)
Accounts payable and accrued liabilities	1,254	1,039
Other current liabilities (Note 13)	(3,824)	2,457
Deferred revenue (Note 11)	2,145	2,112
Net cash provided by operating activities	5,156	2,236
Investing activities		
Business acquisitions, net of cash acquired (Note 17)	(3,257)	—
Acquisition of property and equipment	(222)	(217)
Development of internally generated intangible assets (Note 10)	(2,380)	(1,917)
Loan to parent company (Note 16)	—	(8,600)
Investment in financial assets (Note 9)	(250)	(1,432)
Settlement of working capital holdbacks	(1,606)	—
Net cash used in investing activities	(7,715)	(12,166)
Financing activities		
Settlement of deferred acquisition costs (Note 12)	(683)	—
Transaction costs related to redeemable preferred shares (Note 14)	(620)	—
Repayment of bank indebtedness	(58)	—
Payment on exercise of Mutuo call option (Note 9)	(1,635)	—
Lease payments	(354)	(324)
Net cash used in financing activities	(3,350)	(324)
Net change in cash	(5,909)	(10,254)
Cash - beginning of period	69,944	32,835
Cash - end of period	64,035	22,581
Supplemental Disclosure of Operating Cash Flows:		
Interest received	722	112
Income taxes paid, net	(2,455)	(1,374)
Non-cash financing activities:		
Return of capital to shareholders (Note 16)	(908)	—
Settlement of deferred acquisition costs via shares (Note 12)	(162)	—
Shares issued on acquisition of remaining Mutuo ownership interests (Note 9)	(1,635)	—
Put option recognized on exercise of Mutuo call option (Note 9)	(2,337)	—

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

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

1. NATURE OF OPERATIONS

WELLSTAR Technologies Corp. (the “Company” or “WELLSTAR”) is a leading provider of healthcare-focused technology solutions. WELLSTAR’s comprehensive range of products and solutions are designed to streamline care delivery, integrate fragmented healthcare systems more seamlessly, reduce provider burnout, and improve patient healthcare experiences and outcomes.

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

These condensed interim consolidated financial statements were approved by the Company’s Board of Directors on August 6, 2026.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the December 31, 2025 audited annual consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards.

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. All financial information in these condensed interim consolidated financial statements, except share and per share amounts, is presented in thousands of Canadian dollars, which is the functional currency of the Company. All amounts are rounded to the nearest thousand of Canadian dollars.

The Company has one operating and reportable segment, being the provision of an integrated suite of healthcare-focused software and technology-enabled products and services to healthcare providers.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) The preparation of these condensed interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company’s December 31, 2025 audited annual consolidated financial statements, except as described below.

IFRS 9 and IFRS 7 Amendments

On May 30, 2024, the International Accounting Standards Board (“IASB”) issued amendments to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures”. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. In addition to these clarifications, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. Also included in the amendments are clarifications regarding the classification of financial assets, including those with features linked to environmental, social and corporate governance. Under the amendments, additional disclosures are required for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. The adoption of the amendments did not have a material impact on the recognition or measurement of the Company’s financial assets and financial liabilities. The principal impact on these condensed interim consolidated financial statements is enhanced disclosure relating to the contingent features of the Company’s redeemable preferred shares (Notes 14 and 18).

b) The IASB issued the following new accounting standards or amendments that will become effective on future dates.

IFRS 18

On April 9, 2024, the IASB issued IFRS 18, “Presentation and Disclosure in Financial Statements”. The objective of the new standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses. The

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is assessing the impacts of IFRS 18 on its consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the December 31, 2025 audited annual consolidated financial statements.

5. REVENUE

The following table shows the details of revenues for the three and six months ended June 30, 2026 and 2025:

<i>(in thousands of Canadian dollars)</i>	Three months ended		Six months ended	
	June 30 2026	June 30 2025	June 30 2026	June 30 2025
Subscriptions and support services	19,613	14,166	38,094	27,600
Professional services and other	3,152	2,511	6,192	6,123
Total revenue	22,765	16,677	44,286	33,723

All of the Company's revenue is attributable to Canada, the entity's country of domicile.

6. GENERAL AND ADMINISTRATIVE EXPENSES

The following table shows the details of general and administrative expenses for the three and six months ended June 30, 2026 and 2025:

<i>(in thousands of Canadian dollars)</i>	Three months ended		Six months ended	
	June 30 2026	June 30 2025	June 30 2026	June 30 2025
Salaries and benefits	8,721	6,396	17,217	12,592
Professional and consulting	2,844	1,869	5,184	4,232
Information technology	1,086	635	2,144	1,220
Office expenses	160	231	624	494
Marketing and promotion	191	132	365	282
Other	401	215	656	378
Government grants and assistance	(558)	(427)	(944)	(857)
	12,845	9,051	25,246	18,341

8. ACCOUNTS AND OTHER RECEIVABLES

The following table shows the details of the Company's accounts and other receivables as at June 30, 2026 and December 31, 2025:

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

<i>(in thousands of Canadian dollars)</i>	June 30 2026	December 31 2025
Accounts and other receivables - gross	9,649	9,049
Less: expected credit losses	(399)	(441)
Accounts and other receivables	9,250	8,608

The Company evaluates credit losses on a periodic basis based on the aging and collectability of its accounts receivable. As at June 30, 2026, the Company recognized expected credit losses of \$399 (December 31, 2025 - \$441), which have been recorded as a reduction of accounts receivable. The expected lifetime credit loss provision for trade receivables is based on historical counterparty default rates and is adjusted for relevant forward-looking information as required.

7. INTEREST INCOME AND INTEREST EXPENSE

The following table shows a breakdown of interest income and expense for the three and six months ended June 30, 2026 and 2025:

<i>(in thousands of Canadian dollars)</i>	Three months ended		Six months ended	
	June 30 2026	June 30 2025	June 30 2026	June 30 2025
Interest income on cash	(298)	(1)	(722)	(112)
Interest income on related party loan (Note 16)	(104)	(115)	(206)	(115)
Interest income	(402)	(116)	(928)	(227)
Interest on redeemable preferred shares (Note 14)	6,372	1,987	12,520	3,880
Interest accretion on leases	14	27	29	64
Accretion of discount on deferred acquisition costs (Note 12)	264	30	394	61
Interest accretion on Mutuo put option (Note 13) and other items	33	1	34	1
Interest expense	6,683	2,045	12,977	4,006

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>(in thousands of Canadian dollars)</i>	Equity Investments			Other financial assets		Total
	Longevity AI i)	WaiveTheWait ii)	Strello iii)	Mutuo call option iv)	Mutuo warrants v)	
Balance at December 31, 2025	1,432	280	—	2,078	323	4,113
Additions	—	—	250	—	—	250
Changes in fair value	—	—	—	(833)	—	(833)
Exercise and derecognition of warrants and call options	—	—	—	(1,245)	(323)	(1,568)
Balance at June 30, 2026	1,432	280	250	—	—	1,962

Financial asset investments include equity and derivative instruments and are measured at fair value through profit or loss (FVPL) in accordance with IFRS 9. The Company uses various fair value techniques to estimate the fair value of these investments. During the three and six months ended June 30, 2026, a change in fair value of \$nil and \$833, respectively, has been recognized in the statement of loss and comprehensive loss.

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

i) Longevity AI Ltd. ("Longevity AI")

The Company has invested in Preferred Seed Shares of Longevity AI Ltd., a company which has developed an AI-based tool for converting patient information into personalized longevity plans.

ii) WaiveTheWait Inc. ("WaiveTheWait")

The Company has, through a Simple Agreement for Future Equity ("SAFE"), invested in the right to receive equity when WaiveTheWait Inc. raises future financing. WaiveTheWait has developed a smart tool to streamline administration.

iii) Strello Inc. ("Strello")

On May 15, 2026, the Company entered into a Simple Agreement for Future Equity ("SAFE") with Strello Inc. for a purchase amount of \$250. The SAFE provides the Company with the right to receive capital shares of Strello upon a future equity financing and has a post-money valuation cap of \$8,000. If a liquidity event occurs before conversion, the Company is entitled to receive the greater of the purchase amount or the conversion amount determined in accordance with the terms of the SAFE. If a dissolution event occurs before conversion, the Company is entitled to receive the purchase amount, subject to the liquidation priority set out in the SAFE. Strello is developing AI front desk software for the healthcare industry.

iv) Mutuo Health Solutions ("Mutuo") call option

The sale and purchase agreement ("SPA") between Mutuo and the Company included a call option to purchase the remaining ownership interest in Mutuo for the greater of a designated price and a multiple of the trailing gross profit. The fair market value that is defined in the SPA as follows: (i) up to the first anniversary of the SPA the greater of: (a) \$15,000 and (b) 7.5 times the trailing gross profit, (ii) from the day following the first anniversary until the second anniversary of the SPA, the greater of: (a) \$22,500 and (b) 6.25 times the trailing gross profit, (iii) from the date following the second anniversary until the third anniversary of the SPA the greater of (a) \$30,000 and (b) 5 times the trailing gross profit. The duration of the call option period is three years. During the call option period, the Company had the right but not the obligation to exercise the call option.

On November 1, 2025, as part of applying predecessor accounting for the acquisition from a related party company under common control, HEALWELL AI Inc. ("HEALWELL"), the Company recognized a financial asset of \$796, being the carrying value of the call option on HEALWELL's consolidated statement of financial position on the acquisition date. The Company subsequently measured the fair value of the call option using the Black-Scholes option pricing model. During the year ended December 31, 2025, a change in fair value of \$1,282 was recognized in the statement of loss and comprehensive loss resulting in a carrying value of \$2,078 on the Company's consolidated statement of financial position as at December 31, 2025.

The Company delivered a binding notice of intention to exercise the call option on February 20, 2026. The Company measured the fair value of the call option at the exercise date, with the fair value being equal to the intrinsic value of the option, which resulted in a loss of \$833 being recorded during the six months ended June 30, 2026. On April 27, 2026, the Company completed the transaction, under amended terms, and exercised the call option for total consideration of \$4,290. Total consideration included cash of \$1,635, subordinate voting shares in the Company valued at \$1,635 and an earnout valued at \$1,020.

The amended terms include a put option which may require the Company to purchase any or all of the subordinate voting shares issued at a price of \$1.50 per share, if the Company has not completed an initial public offering twelve months subsequent to the closing of the call option. If the put is exercised, the Company has an option to complete the settlement in shares of WELL. The difference between the fair value of the consideration paid and the non-controlling interest was recognized within accumulated deficit. The Company recognized a financial liability of \$2,337 in respect of the put option at initial recognition, the corresponding debit to which was recorded in equity (Note 13).

v) Mutuo warrants

The sale and purchase agreement between Mutuo and the Company included an executed subscription agreement for 1,326,260 warrants which entitle the Company to subscribe to additional shares of Mutuo at an exercise price of \$0.754 per warrant share. Each warrant share represents one share of Mutuo.

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

On November 1, 2025, as part of applying predecessor accounting for the acquisition, the Company recognized a financial asset of \$201, being the carrying value of the warrants on HEALWELL's consolidated statement of financial position on the acquisition date. The Company subsequently measured the fair value of the warrants using the Black-Scholes option pricing model. During the year ended December 31, 2025, a change in fair value of \$122 was recognized in the statement of loss and comprehensive loss resulting in a carrying value of \$323 on the Company's consolidated statement of financial position as at December 31, 2025. The warrants were exercised on February 20, 2026. The Company has recorded the difference between the carrying value of the warrants and the reduction in non-controlling interests in equity.

10. INTANGIBLE ASSETS AND GOODWILL

<i>(in thousands of Canadian dollars)</i>	Customer relationships	Technology & Other	Brands	Intangibles Total	Goodwill
COST					
Balance as at January 1, 2026	44,412	18,681	4,790	67,883	64,902
Acquired via business combinations (Note 17)	2,166	—	667	2,833	2,457
Additions	—	2,380	—	2,380	—
Balance as at June 30, 2026	46,578	21,061	5,457	73,096	67,359
ACCUMULATED AMORTIZATION					
Balance as at January 1, 2026	18,711	3,629	951	23,291	—
Amortization for the period	2,264	1,542	285	4,091	—
Balance as at June 30, 2026	20,975	5,171	1,236	27,382	—
NET CARRYING AMOUNTS					
As at December 31, 2025	25,701	15,052	3,839	44,592	64,902
As at June 30, 2026	25,603	15,890	4,221	45,714	67,359

11. DEFERRED REVENUE

<i>(in thousands of Canadian dollars)</i>	June 30 2026	December 31 2025
Balance, beginning of period	2,727	1,977
Acquired via business combinations	—	314
Billings	12,803	19,496
Revenue recognized	(10,658)	(19,060)
Balance, end of period	4,872	2,727

12. DEFERRED ACQUISITION COSTS

Deferred acquisition costs are liabilities estimated for earnout payments triggered on the achievement of specified targets agreed at the time of, and treated as purchase consideration for, business combinations and asset acquisitions (Note 17).

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

<i>(in thousands of Canadian dollars)</i>	June 30 2026	December 31 2025
Balance, beginning of period	3,599	2,080
Acquired via business combinations	—	2,400
Earnout liability for Mutuo call option (Note 9)	1,020	—
Interest accretion and changes in fair value	394	119
Payments made in the period	(683)	(1,000)
Settled by issuance of shares	(162)	—
Balance, end of period	4,168	3,599
Current	2,091	2,628
Non-current	2,077	971
Balance, end of period	4,168	3,599

13. OTHER LIABILITIES

<i>(in thousands of Canadian dollars)</i>	June 30 2026	December 31 2025
Working capital holdbacks	476	1,607
Income tax payable	966	1,660
Time-based earnout liabilities	1,851	4,725
Payroll liabilities and other	1,948	2,140
Put option issued in respect of Mutuo call option exercise (Note 9)	2,363	—
	7,604	10,132

In connection with the April 27, 2026 acquisition of the remaining non-controlling interest in Mutuo, the Company issued subordinate voting shares subject to a vendor put right. If the Company has not completed an initial public offering within twelve months of the call option closing, the vendors may require the Company to purchase any or all of the issued subordinate voting shares at \$1.50 per share. The Company recognized a financial liability of \$2,337 for the present value of the redemption amount, with the corresponding debit offset recognized in equity as part of the transaction with non-controlling interests. The liability is subsequently measured at amortized cost using the effective interest method. For the three and six months ended June 30, 2026, interest accretion expense of \$26 was recognized.

14. REDEEMABLE PREFERRED SHARES AND WARRANT LIABILITY

The following table summarizes the outstanding redeemable preferred shares of the Company:

	Series A Redeemable Preferred Shares		Series B Redeemable Preferred Shares		Total
<i>(in thousands of Canadian dollars)</i>	Shares Issued	Amount \$'000	Shares Issued	Amount \$'000	Amount \$'000
Balance at December 31, 2025	50,377,500	55,527	41,352,598	57,825	113,352
Interest expense	—	6,068	—	6,452	12,520
Balance at June 30, 2026	50,377,500	61,595	41,352,598	64,277	125,872

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

a) Series A and Series B Redeemable Preferred Shares

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 preferred shares (collectively, the "Preferred Shares") are redeemable at the option of the holders for a fixed return at any time after December 31, 2026. If a holder exercises the redemption option, WELL has a call right to purchase the Preferred Shares and the holder has a put right to require the Company to purchase the Preferred Shares at a price equal to the holder's redemption price. The Preferred Shares automatically convert into a variable number of subordinate voting shares of the Company at a discounted price upon a qualifying initial public offering or reverse takeover public listing, or alternative liquidity transaction. In addition, certain settlement outcomes may be satisfied in cash or in WELL shares, subject to WELL being publicly listed, obtaining required stock exchange approvals, compliance with applicable securities laws and, in certain share-settled outcomes, market-capitalization-based pricing adjustments. The Preferred Shares are entitled to quarterly dividends commencing January 1, 2026 at an increasing rate over time. The dividends will accrue as notional preferred shares until the occurrence of a liquidity event, redemption or other liquidation event in accordance with the terms of the Preferred Shares.

The Preferred Shares have been classified as a liability in the consolidated statement of financial position due to the redemption feature at the option of the holders and other terms that result in the instrument meeting the definition of a financial liability and are subsequently being measured at amortized cost using the effective interest rate method.

b) Series A and Series B Preferred Shares Broker Warrant Liabilities

The broker warrants issued in connection with the Series A and Series B Preferred Shares have been classified as financial liabilities on the consolidated statement of financial position consistent with the classification of the underlying Series A and Series B Preferred Shares and are being accounted for as issuance costs. The warrant liabilities for Series A and Series B were initially recognized at \$585 and \$479, respectively, being the fair value at the issuance date and are subsequently being measured at fair value through profit or loss ("FVPL") at each reporting date and are recorded as other expenses. Fair value is estimated using the Black-Scholes option pricing model with inputs including share price, volatility, risk-free interest rate and time to maturity.

	Warrants	Amount \$'000
Balance at December 31, 2025	4,055,375	1,183
Changes in fair value	—	395
Balance at June 30, 2026	4,055,375	1,578

<i>(in thousands of Canadian dollars)</i>	June 30 2026	December 31 2025
Current	1,578	580
Non-current	—	603
Balance, end of period	1,578	1,183

	Exercise price \$	Warrants outstanding	Exercisable	Weighted average remaining contractual life (years)
Series A	\$ 1.00	2,285,375	2,285,375	0.4
Series B	\$ 1.50	1,770,000	1,770,000	1.4

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

15. SHARE-BASED PAYMENTS

On August 28, 2025, the Company's Board of Directors approved an Omnibus Equity Incentive Plan ("OEIP") for the Company whereby eligible employees, officers, directors and consultants may be granted awards in the form of (1) stock options exercisable to purchase the Company's subordinate voting shares and (2) restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs") that convert automatically into the Company's subordinate voting shares upon vesting. Vested awards may be settled in subordinate voting shares, cash or a combination thereof and, issuance of the shares may be deferred until after a listing or comparable go-public event. Vested awards that have not been settled in shares or cash remain outstanding obligations of the Company.

On October 21, 2025, the Company's Board of Directors authorized a grant of 2,200,776 RSUs and 3,452,645 PSUs under the OEIP to certain directors, officers, employees and consultants of the Company. The total estimated fair value of the RSUs and PSUs granted was \$2,201 and \$3,453, respectively, based on the estimated fair value of a subordinate voting share of the Company on the grant date. The RSUs and PSUs vest on dates ranging from May 1, 2026 to May 1, 2028.

On May 1, 2026, the Company's Board of Directors authorized a grant of 490,365 RSUs, 860,783 PSUs and 157,750 DSUs under the OEIP to certain directors, officers, employees and consultants of the Company. The total estimated fair value of the RSUs, PSUs and DSUs granted was \$490, \$861 and \$158, respectively, based on the estimated fair value of a subordinate voting share of the Company on the grant date. The RSUs and PSUs vest on dates ranging from May 1, 2026 to May 1, 2029.

The Company's employees also participate in WELL's equity incentive plan ("Plan") whereby eligible employees, directors and consultants may be granted awards in the form of (1) stock options exercisable to purchase WELL common shares and (2) restricted share units ("RSUs") and performance share units ("PSUs") that convert automatically into WELL common shares upon vesting.

Share-based compensation expense consists of amounts relating to stock options, RSUs, PSUs and DSUs granted by the Company and WELL to the Company's employees under the respective plans. The share-based compensation expense by plan is summarized as follows:

	Three months ended		Six months ended	
	June 30 2026	June 30 2025	June 30 2026	June 30 2025
<i>(in thousands of Canadian dollars)</i>				
WELL issued awards:				
RSUs	60	113	142	219
PSUs	66	53	165	103
	126	166	307	322
Company issued awards:				
RSUs	478	—	1,016	—
PSUs	678	—	1,743	—
DSUs	158	—	158	—
	1,314	—	2,917	—
Total share-based compensation expense	1,440	166	3,224	322

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

a) Stock Options

No stock options were granted by WELLSTAR or WELL to WELLSTAR employees during the six months ended June 30, 2026 and the year ended December 31, 2025. The exercise price of each stock option was based on the fair market price of WELL common shares at the time of grant. The changes in stock options during the six months ended June 30, 2026 and the year ended December 31, 2025 were as follows:

	WELL Equity Incentive Plan			
	2026		2025	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance outstanding, beginning of period	—	—	125,000	3.25
Options exercised	—	—	—	—
Options expired	—	—	(125,000)	3.25
Balance outstanding, end of period	—	—	—	—

During the three and six months ended June 30, 2026 and 2025, the Company did not recognize any share-based compensation expense relating to stock options in the consolidated statements of loss.

b) Restricted Share Units (“RSUs”)

A summary of changes to the number of outstanding and unvested RSUs during the six months ended June 30, 2026 and the year ended December 31, 2025 were as follows:

	WELL Equity Incentive Plan		WELLSTAR Issued Awards		Total	
	2026	2025	2026	2025	2026	2025
	Number of RSUs	Number of RSUs	Number of RSUs	Number of RSUs	Number of RSUs	Number of RSUs
Balance outstanding, beginning of period	242,538	494,689	2,200,776	—	2,443,314	494,689
Units granted	—	55,697	490,365	2,200,776	490,365	2,256,473
Awards relating to transferred employees	105,830	—	—	—	105,830	—
Units forfeited	(6,678)	(76,893)	(129,902)	—	(136,580)	(76,893)
Units vested and shares issued	(165,049)	(230,955)	—	—	(165,049)	(230,955)
Balance outstanding, end of period	176,641	242,538	2,561,239	2,200,776	2,737,880	2,443,314

During the three and six months ended June 30, 2026, the Company recognized share-based compensation expense of \$538 and \$1,158, respectively, relating to RSUs in the consolidated statements of loss (2025 - \$113 and \$219, respectively). As at June 30, 2026, 1,000,989 WELLSTAR issued RSUs had vested but remain unsettled.

c) Performance Share Units (“PSUs”)

A summary of changes to the number of outstanding and unvested PSUs during the six months ended June 30, 2026 and the year ended December 31, 2025 were as follows:

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

	WELL Equity Incentive Plan		WELLSTAR Issued Awards		Total	
	2026	2025	2026	2025	2026	2025
	Number of PSUs	Number of PSUs	Number of PSUs	Number of PSUs	Number of PSUs	Number of PSUs
Balance outstanding, beginning of period	71,897	158,222	3,452,645	—	3,524,542	158,222
Units granted	—	40,834	860,783	3,452,645	860,783	3,493,479
Awards relating to transferred employees	177,932	—	—	—	177,932	—
Units forfeited	(5,263)	(26,653)	(224,804)	—	(230,067)	(26,653)
Units vested and shares issued	(116,154)	(100,506)	—	—	(116,154)	(100,506)
Balance outstanding, end of period	128,412	71,897	4,088,624	3,452,645	4,217,036	3,524,542

During the three and six months ended June 30, 2026, the Company recognized share-based compensation expense of \$744 and \$1,908, respectively, relating to PSUs in the consolidated statements of loss (2025 - \$53 and \$103, respectively). As at June 30, 2026, 2,080,731 WELLSTAR issued PSUs had vested but remain unsettled.

d) Deferred Share Units ("DSUs")

A summary of changes to the number of outstanding and unvested DSUs during the six months ended June 30, 2026 and the year ended December 31, 2025 was as follows:

	WELLSTAR Issued Awards	
	2026	2025
	Number of DSUs	Number of DSUs
Balance outstanding, beginning of period	—	—
Units granted	157,750	—
Balance outstanding, end of period	157,750	—

During the three and six months ended June 30, 2026, the Company recognized share-based compensation expense of \$158 relating to DSUs in the consolidated statements of loss. In 2025, the Company did not recognize any share-based compensation expense relating to DSUs in the consolidated statements of loss. As at June 30, 2026, 157,750 WELLSTAR issued DSUs had vested but remain unsettled.

16. RELATED PARTY BALANCES AND TRANSACTIONS

a) 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, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

<i>(in thousands of Canadian dollars)</i>	Three months ended		Six months ended	
	June 30 2026	June 30 2025	June 30 2026	June 30 2025
Salaries and benefits	119	89	315	158
Directors' fees	50	—	123	—
Share-based payment expense	598	75	1,283	176
	767	164	1,721	334

b) Related party balances and transactions with WELL

<i>(in thousands of Canadian dollars)</i>	Three months ended		Six months ended	
	June 30 2026	June 30 2025	June 30 2026	June 30 2025
Revenue from goods and services	1,228	1,580	2,547	2,325
Cost of sales	(104)	(531)	(414)	(719)
Shared service fees from WELL	(1,074)	(1,092)	(2,035)	(2,138)
Share-based compensation reimbursements	(126)	(166)	(307)	(322)

The Company has entered into agreements with WELL and its subsidiaries to deliver or receive goods and services and recognized revenue and also has cost of sales for goods and services purchased from WELL. The related party transactions were made on an arm's length basis. WELL charged the Company for shared service fees for finance, human resources, legal, marketing, information technology and risk management services based on the terms of administrative services agreements executed between the relevant legal entities. Share-based compensation reimbursements are in relation to WELL equity awards granted to the Company's employees.

As at June 30, 2026, the Company has a net receivable due from WELL and its subsidiaries of \$227 (December 31, 2025 - \$2,694). The amounts have been presented as a receivable due from related parties on the Company's consolidated statement of financial position. In addition, as at June 30, 2026, the Company has a loan receivable balance due from WELL of \$10,289 consisting of principal outstanding of \$9,745 and accrued interest of \$544. The loan bears interest at a rate of 2% plus the Bank of Canada's published overnight target rate. The loan 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.

For the six months ended June 30, 2026, the Company completed a return of capital to shareholders of \$908, of which \$892 was returned to WELL by settlement of intercompany balances.

17. BUSINESS COMBINATIONS, ASSET ACQUISITIONS AND DISPOSALS

The Company completed two business combinations during the six months ended June 30, 2026. The purchase prices of the acquisitions were primarily satisfied through:

1. cash paid to the vendor, net of working capital adjustments;
2. fair value of common shares of the Company issued to the vendor, determined on the date of the issuance; and
3. working capital/indemnification holdbacks.

Time-based earnout payments that are contingent on continued employment of the selling shareholders are excluded from purchase consideration and are expensed during the post-acquisition requisite service period.

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For business combinations, the excess of the fair value of the purchase consideration over the fair values of assets and liabilities acquired is recognized as goodwill. Goodwill is attributable to the workforce, expected synergies and future profitability of the acquired businesses. The Company elected to recognize the non-controlling interests at their proportionate share of the acquired net identifiable assets.

From their respective acquisition dates, Lambert and Sherritt contributed an aggregate revenue of \$1,621 and net income of \$228 to the Company's consolidated results for the six months ended June 30, 2026.

If the acquisitions had occurred on January 1, 2026, the Company's consolidated revenue and net loss for the six months ended June 30, 2026 would have included revenue and net income of \$2,441 and \$277, respectively, for these acquisitions.

The following table summarizes the fair value of the purchase consideration and the estimated fair values of assets and liabilities assumed at the acquisition dates for business combinations and asset acquisitions that occurred during the six months ended June 30, 2026. The Company may adjust preliminary purchase price allocations, as necessary, up to one year after the acquisition closing date as new information is obtained about facts and circumstances that existed as of the closing date.

<i>(in thousands of Canadian dollars)</i>	Lambert (Provisional)	Sherritt (Provisional)	Total
Cash paid at closing	815	2,810	3,625
Shares issued	277	—	277
General indemnity holdback	—	321	321
Other adjustments to consideration transferred	—	60	60
Working capital holdback	152	—	152
Purchase consideration	1,244	3,191	4,435
Assets and liabilities assumed			
Cash	368	—	368
Accounts and other receivables	327	186	513
Other current assets	16	1	17
Property and equipment	46	—	46
Right-of-use assets	264	—	264
Customer relationships	932	1,234	2,166
Brands	362	305	667
Goodwill	328	2,129	2,457
Lease liabilities	(264)	—	(264)
Accounts payable and accrued liabilities	(167)	(244)	(411)
Bank indebtedness	—	(58)	(58)
Other current liabilities	(15)	(8)	(23)
Deferred income taxes	(343)	(354)	(697)
Non-controlling interests	(610)	—	(610)
	1,244	3,191	4,435
Total cash consideration, net of cash acquired			3,257

i) Acquisition of Lambert Médico Factures Inc. ("Lambert")

On December 23, 2025, the Company entered into a definitive agreement to acquire a 60% interest in Lambert Médico Factures Inc. ("Lambert"), a billing services provider based in Quebec, for estimated consideration of \$1,092 to be paid in cash and Company subordinate voting shares, subject to working capital adjustments. The transaction was subject to certain closing

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

conditions and closed on February 1, 2026. In connection with the acquisition, earnout payments of up to \$787 are payable, contingent on achievement of a normalized EBITDA target during a three-year period post-acquisition. Since the earnout payments are contingent on continuing employment of the selling shareholders and are automatically forfeited if employment terminates, amounts will be recognized and expensed over time during the post-acquisition requisite service period.

Goodwill of \$328 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of Lambert and integrating the acquired technologies into the Company's platforms. The goodwill is not deductible for tax purposes. Accounts and other receivables are reported at a gross carrying amount of \$327, net of an allowance for expected credit losses of nil. Intangible assets recognized for customer relationships and brands will be amortized over 10 years.

During the three months ended June 30, 2026, the Company recorded measurement-period adjustments to the provisional amounts reported as at March 31, 2026, principally reflected the finalization of the acquisition-date working capital balances and the valuation of customer relationships. The working capital holdback and total purchase consideration each increased by \$3; accounts and other receivables increased by \$143; other current assets decreased by \$33; the fair value assigned to customer relationships decreased by \$140; and accounts payable and accrued liabilities increased by \$105. The related deferred income tax liability decreased by \$37, and the amount recognized for non-controlling interests decreased by \$39. As a result of these adjustments, goodwill increased by \$62. All other acquisition-date amounts were unchanged. The adjustments were recognized retrospectively as of the February 1, 2026 acquisition date.

ii) Acquisition of Sherritt Services Inc. ("Sherritt")

On April 1, 2026, the Company entered into a definitive agreement and closed the transaction to acquire a 100 percent interest in Sherritt Services Inc. ("Sherritt"), a billing and virtual medical office assistant services provider based in Alberta, for estimated consideration of \$3,191 to be paid in cash, subject to working capital adjustments.

Goodwill of \$2,129 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of Sherritt and integrating the acquired technologies into the Company's platforms. The goodwill is not deductible for tax purposes. Accounts and other receivables are reported at a gross carrying amount of \$186, net of an allowance for expected credit losses of nil. Intangible assets recognized for customer relationships and brands will be amortized over 10 years.

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

18. FINANCIAL INSTRUMENTS

a) Classification of financial instruments

The following table summarizes the Company's financial instruments and their carrying amounts:

<i>(in thousands of Canadian dollars)</i>	June 30 2026	December 31 2025
Financial assets at amortized cost		
Cash	64,035	69,944
Accounts and other receivables	9,250	8,608
Loan receivable from parent company (Note 16)	10,289	10,083
Receivables from related parties (Note 16)	227	2,694
Other current assets	136	286
	83,937	91,615
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	7,295	6,250
Redeemable preferred shares	125,872	113,352
Lease liability	1,255	1,316
Other current liabilities	6,638	8,472
	141,060	129,390
Financial assets at fair value through profit or loss ("FVPL")		
Equity investments and other financial assets (Note 9)	1,962	4,113
Financial liabilities at fair value through profit or loss ("FVPL")		
Deferred acquisition costs (Note 12)	4,168	3,599
Broker warrants liability (Note 14(b))	1,578	1,183
	5,746	4,782

b) Fair value measurements

Financial instruments carried at amortized cost:

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

The Company's Series A and Series B preferred shares (Note 14(a)) are classified as financial liabilities as they contain contractual redemption features that are not within the Company's control. The preferred shares were initially measured at fair value and are subsequently being measured at amortized cost using the effective interest rate method.

The fair values of the Series A and B preferred shares were estimated to be \$59,133 and \$70,580, respectively, as of June 30, 2026 (December 31, 2025 - \$56,976 and \$62,029, respectively). The fair value was determined using a probability-weighted expected return method, which considers multiple potential future scenarios, including conversion and redemption outcomes. Under each

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

scenario, the expected cash flows to the preferred shareholders were estimated and discounted to present value, and the resulting values were weighted based on management's assessment of the probability of occurrence of each scenario. The valuation incorporates significant unobservable inputs and assumptions, including expected timing of liquidity events, discount rates, and scenario probabilities. Accordingly, the fair value measurement is classified as Level 3 within the fair value hierarchy.

The principal contingent features associated with the Preferred Shares are as follows: (i) holders may require redemption after December 31, 2026 at an amount determined in accordance with the fixed-return provisions of the relevant series; (ii) the Preferred Shares automatically convert into a variable number of subordinate voting shares of the Company upon the occurrence of a qualifying liquidity event; (iii) following a redemption notice, WELL has a call right and the holder has a put right in respect of the relevant Preferred Shares; and (iv) certain settlement outcomes may be satisfied in cash or WELL shares, subject to WELL being publicly listed, obtaining required stock exchange approvals, compliance with applicable securities laws and, in certain share-settled outcomes, market-capitalization-based pricing adjustments. These contingent features may significantly affect the timing, amount and form of settlement cash flows. Actual settlement could differ from management's current expectations if one or more of these contingent events occur.

Financial assets carried at fair value:

The Company's investments in Longevity AI, WaiveTheWait, Strello and Mutuo warrants and call options are classified as financial assets at FVPL and are categorized within Level 3 of the fair value hierarchy. On February 20, 2026, the Mutuo warrants were exercised, and the Company delivered a binding notice to exercise the Mutuo call options, which closed on April 27, 2026.

The fair values of equity investments in unquoted private entities are based on the fair value implied by the Company's recent acquisition transaction or on follow-on financing rounds, as applicable. The fair values of warrants and call options are estimated using mathematical models or option pricing models that incorporate directly observable market inputs (including share prices, interest rates and credit spreads), unobservable inputs (expected share price volatilities and expected terms), as applicable.

As at June 30, 2026, the fair value of financial assets at FVPL was \$1,962 (December 31, 2025 - \$4,113).

Financial liabilities carried at fair value:

The Company's deferred acquisition cost liabilities are estimated using discounted earnings models that use unobservable inputs for revenue and cash flow projections. The fair value measurements of deferred acquisition costs and warrant liability are categorized within Level 3 of the fair value hierarchy.

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 consistent with the classification of the underlying Series A and Series B Preferred Shares. The fair values of the warrant liabilities relating to Series A and Series B Preferred Shares are estimated to be \$1,578 as of June 30, 2026. Fair value is estimated using the Black-Scholes option pricing model with inputs including share price, volatility, risk-free interest rate and time to maturity.

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

Level 3 recurring fair values

The following table shows a reconciliation from the opening to the closing balances for assets and liabilities classified as Level 3.

<i>(in thousands of Canadian dollars)</i>	Equity investments (Note 9)	Warrants and call options (Note 9)	Deferred acquisition cost liabilities (Note 12)	Broker warrants (Note 14(b))
Balance at December 31, 2025	1,712	2,401	(3,599)	(1,183)
Additions	250	—	(1,020)	—
Fair value changes recorded in income	—	(833)	—	(395)
Interest accretion and changes in fair value	—	—	(394)	—
Settled in period	—	—	845	—
Exercise of warrants and call option	—	(1,568)	—	—
Balance at June 30, 2026	1,962	—	(4,168)	(1,578)

c) Financial risk management

Credit risk

Credit risk is the risk of a financial loss to one party to a financial instrument when the other party fails to meet its contractual obligation. Credit risk arises from the Company's financial assets. The carrying amount of the financial assets represents the maximum exposure to credit risk. The Company limits its exposure to credit risk on cash and cash equivalents by placing these financial instruments with high credit-quality financial institutions. No single customer accounts for more than 10% of the Company's consolidated revenue.

The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of performance.

As at June 30, 2026, the Company had accounts and other receivables of \$9,250 (December 31, 2025 - \$8,608), net of expected credit losses of \$399 (December 31, 2025 - \$441) (Note 8).

The movement in the expected credit loss allowance in respect of accounts and other receivables was as follows:

(in thousands of Canadian dollars)

Balance as at December 31, 2025	441
Amounts written off and other	(30)
Net remeasurements of loss allowance	(12)
Balance as at June 30, 2026	399

Liquidity risk

Liquidity risk refers to 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:

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(in thousands of Canadian dollars)

Undiscounted payments due by period

At June 30, 2026	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Redeemable preferred shares	139,345	139,345	—	—	—
Broker warrants	1,578	1,578	—	—	—
Deferred acquisition costs and time-based earnouts	6,046	3,969	2,077	—	—
Contractual minimum lease payments	1,314	698	591	25	—
Accounts payable and accrued liabilities	7,295	7,295	—	—	—
Working capital holdbacks	476	476	—	—	—
Put option issued in respect of Mutuo call option exercise	2,453	2,453	—	—	—
Other current liabilities	1,948	1,948	—	—	—
	160,455	157,762	2,668	25	—

The put option issued in respect of the Mutuo call option exercise may require the Company to purchase any or all of the issued subordinate voting shares at \$1.50 per share if the Company has not completed an initial public offering within twelve months of the call option closing.

The terms of the redeemable preferred shares are described in Note 14(a). 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 flows may differ substantially from the contractual maturities noted in the table above, which are calculated as the redemption value on January 1, 2027 inclusive of cumulative dividends as this is the earliest date on which holders may require redemption. Actual cash outflows may occur on different dates and may differ in amount depending on the occurrence of contingent features described in Note 14, including automatic conversion upon a qualifying liquidity event, call and put mechanics following a redemption notice and circumstances in which settlement may occur in cash or WELL shares. Where share settlement is unavailable, including because required stock exchange approvals are not obtained or applicable securities law conditions are not met, settlement may be required in cash.

The broker warrants are convertible into redeemable preferred shares and upon such conversion will be subject to the same terms. The broker warrants had a fair value carrying amount of \$1,578 at June 30, 2026. In the event of exercise, the Company will receive exercise proceeds from the warrants and will issue redeemable preferred shares.

(in thousands of Canadian dollars)

Class of financial liability	Amortized cost	Nature of contingent event / contractual term	Quantitative effect on contractual cash flows	Earliest relevant date / trigger	Possible settlement form
Series A redeemable preferred shares	61,595	Holder redemption right after December 31, 2026; automatic conversion to subordinate voting shares on a qualifying liquidity event; WELL call and holder put following redemption notice; share settlement subject to WELL being publicly listed, required exchange approvals, securities law compliance and any pricing adjustments	Earliest redemption amount if exercised at first eligible date: \$68,205. Conversion on liquidity results in share settlement with no cash outflow.	Redemption from January 1, 2027; liquidity-event timing contingent.	Cash, subordinate voting shares, or WELL shares, depending on contractual conditions
Series B redeemable preferred shares	64,277	Same categories of contingent features as Series A, with Series B contractual economics as applicable	Earliest redemption amount if exercised at first eligible date: \$71,140. Conversion on liquidity results in share settlement with no cash outflow.	Redemption from January 1, 2027; liquidity-event timing contingent	Cash, subordinate voting shares, or WELL shares, depending on contractual conditions
Total	125,872				

Market risk

WELLSTAR TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

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 (Note 16). Accordingly, the Company considers its exposure to foreign exchange and interest rate risk to be immaterial and has not performed a sensitivity analysis.

19. EVENTS AFTER THE REPORTING PERIOD

a) WELLSTAR Amalgamation, Proposed TSXV Listing and Concurrent Financing

On July 7, 2026, the Company entered into an amalgamation agreement with 1587818 B.C. Ltd. ("818"), pursuant to which WELLSTAR and 818 will amalgamate under the Business Corporations Act (British Columbia) to form a resulting issuer (the "Resulting Issuer"). The Resulting Issuer is expected to carry on the business of WELLSTAR and intends to apply to have its subordinate voting shares listed on the TSX Venture Exchange (the "TSXV"). The transaction is expected to close in September 2026, subject to the satisfaction of customary closing conditions, including applicable corporate and regulatory approvals and acceptance by the TSXV. In connection with, and as a condition to closing the amalgamation transaction, the Company announced it is undertaking a brokered private placement of subscription receipts for gross proceeds of approximately \$50,000. Immediately prior to completion of the amalgamation transaction and concurrent financing, all outstanding Series A and Series B preferred shares are expected to convert into subordinate voting shares.

On July 30, 2026, the Company completed a financing transaction for aggregate gross proceeds of \$50,001 consisting of (1) a brokered private placement for a total of 35,146,207 subscription receipts at a price of \$1.03 per subscription receipt for gross proceeds to the Company of \$36,201 and (2) a secondary offering for a total of 13,398,058 Company subordinate voting shares at a price of \$1.03 per share for gross proceeds to the selling shareholder of \$13,800. The proceeds, less certain commissions and expenses, are being held in escrow pending satisfaction of the applicable escrow release conditions, including concurrent closing of the amalgamation transaction between the Company and 818. Upon satisfaction of these conditions, the subscription receipts will be exchanged for subordinate voting shares of the Resulting Issuer. The Company will not receive any proceeds from, or issue any additional shares in connection with, the secondary offering.

b) Acquisition of JCL Medical Systems Ltd.

On July 1, 2026, the Company acquired 100% of the issued and outstanding shares of 1947368 Ontario Inc., which owns JCL Medical Systems Ltd. ("JCL Medical"), an Ontario-based medical billing, claims administration and related revenue cycle management business, for estimated purchase consideration of up to \$8,501 subject to working capital and other adjustments. Purchase consideration under the share purchase agreement includes the base closing amount of \$5,763, subject to closing cash, working capital, indebtedness and transaction expense adjustments, and performance-based earnout payments of up to \$2,738 over three one-year performance periods, subject to achievement of specified organic growth and normalized EBITDA criteria and other terms of the agreement. The initial accounting for the acquisition, including the identification and valuation of identifiable assets acquired and liabilities assumed and the resulting goodwill, if any, has not been completed as of the date these financial statements were authorized for issue. As such, the Company is not able to disclose the acquisition-date fair values.