NeuPath Health Inc.

Condensed Consolidated Interim Financial Statements
March 31, 2025 and 2024
(unaudited)

NOTICE TO READER

The accompanying Condensed Consolidated Interim Financial Statements of NeuPath Health Inc. (the ”Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent external auditors, Ernst & Young LLP, have not performed a review or an audit of these Condensed Consolidated Interim Financial Statements in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity’s auditor.

The Condensed Consolidated Interim Financial Statements include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these Condensed Consolidated Interim Financial Statements in accordance with International Financial Reporting Standards (“IFRS”). Management has determined such amounts on a reasonable basis in order to ensure that these Condensed Consolidated Interim Financial Statements are presented fairly in all material respects.

NEUPATH HEALTH INC.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

		As at March 31, 2025	As at December 31, 2024
(Canadian dollars in thousands)	***Notes***	**$**	$
ASSETS			
CURRENT			
Cash and cash equivalents		**4,429**	2,923
Accounts receivable		**7,842**	7,668
Other assets		**633**	529
TOTAL CURRENT ASSETS		**12,904**	11,120
NON-CURRENT			
Property, plant and equipment		**3,278**	3,453
Right-of-use assets		**4,596**	4,756
Other assets		**456**	524
Intangible assets		**582**	629
Goodwill		**20,752**	20,752
Deferred income tax assets		**68**	68
TOTAL ASSETS		**42,636**	41,302
LIABILITIES AND EQUITY			
CURRENT			
Accounts payable and accrued liabilities		**9,466**	8,446
Current portion of long-term debt	*5*	**650**	2,083
Current portion of lease obligations	*4*	**975**	1,101
Current income tax liabilities		**128**	75
Current portion of due to related parties	*13*	**-**	3,674
TOTAL CURRENT LIABILITIES		**11,219**	15,379
NON-CURRENT			
Long-term debt	*5*	**5,850**	-
Lease obligations	*4*	**4,469**	4,491
TOTAL LIABILITIES		**21,538**	19,870
EQUITY			
Share capital	*6*	**43,840**	44,049
Warrants	*8*	**847**	849
Contributed surplus	*7*	**3,460**	3,256
Deficit		**(27,163)**	(26,750)
Equity attributable to shareholders of NeuPath Health Inc.		**20,984**	21,404
Non-controlling interest		**114**	28
TOTAL EQUITY		**21,098**	21,432
TOTAL LIABILITIES AND EQUITY		**42,636**	41,302

Note 11, *Commitments*

The accompanying Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEUPATH HEALTH INC.
CONSOLIDATED INTERIM STATEMENTS OF NET AND COMPREHENSIVE LOSS (UNAUDITED)

(Canadian dollars in thousands, except per share figures or otherwise noted)	***Notes***	**Three months ended March 31, 2025** **$**	Three months ended March 31, 2024 $
REVENUE			
Medical services	*14*	**19,335**	17,486
Total revenue		**19,335**	17,486
OPERATING EXPENSES			
Cost of medical services		**15,695**	14,253
General and administrative expenses		**2,156**	1,947
Occupancy costs		**432**	469
Depreciation and amortization		**597**	581
Total operating expenses		**18,880**	17,250
OTHER EXPENSES (INCOME)			
Interest cost	*4, 5*	**296**	239
Transaction costs		**353**	284
Net loss before income taxes		**(194)**	(287)
INCOME TAXES			
Current income tax expense		**133**	57
NET AND COMPREHENSIVE LOSS		**(327)**	(344)
Attributed to:			
Shareholders of NeuPath Health Inc.		**(413)**	(378)
Non-controlling interest		**86**	34
		(327)	(344)
Net loss per common share			
- basic		**(0.01)**	(0.01)
- diluted		**(0.01)**	(0.01)
Weighted average number of common shares outstanding (in thousands)			
- basic		**56,218**	56,293
- diluted		**57,182**	56,534

The accompanying Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEUPATH HEALTH INC.
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

		Attributable to shareholders of NeuPath Health Inc.							
		Share Capital		Warrants	Contributed Surplus	Deficit	Total	Non-controlling Interest	Total Equity
(Canadian dollars in thousands, except number of shares)	***Notes***	**000s**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance, December 31, 2023		56,293	44,127	849	3,100	(26,022)	22,054	(215)	21,839
Stock-based compensation expense	*7*	-	-	-	34	-	34	-	34
Net and comprehensive loss		-	-	-	-	(378)	(378)	34	(344)
Balance, March 31, 2024		56,293	44,127	849	3,134	(26,400)	21,710	(181)	21,529
Stock-based compensation expense	*7*	-	-	-	68	-	68	-	68
Restricted share units, vested and exercised	*7*	124	24	-	(24)	-	-	-	-
Shares repurchased and cancelled	*6*	(30)	(23)	-	18	-	(5)	-	(5)
Shares repurchased, but not cancelled	*6*	-	(79)	-	60	-	(19)	-	(19)
Net and comprehensive loss		-	-	-	-	(350)	(350)	209	(141)
Balance, December 31, 2024		56,387	44,049	849	3,256	(26,750)	21,404	28	21,432
Stock-based compensation expense	*7*	-	-	-	43	-	43	-	43
Conversion of warrants	*8*	46	9	(2)	-	-	7	-	7
Shares repurchased and cancelled	*6*	(378)	(218)	-	161	-	(57)	-	(57)
Net and comprehensive loss		-	-	-	-	(413)	(413)	86	(327)
Balance, March 31, 2025		**56,055**	**43,840**	**847**	**3,460**	**(27,163)**	**20,984**	**114**	**21,098**

The accompanying Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEUPATH HEALTH INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)

		Three months ended March 31, 2025	Three months ended March 31, 2024
(Canadian dollars in thousands)	***Notes***	**$**	$
OPERATING ACTIVITIES			
Net and comprehensive loss		**(327)**	(344)
Items not involving current cash flows:			
Depreciation and amortization		**597**	581
Accretion of lease obligations	*4*	**101**	128
Accretion of other assets		**-**	(4)
Accretion of debenture offering	*5*	**134**	66
Equity-settled stock-based compensation expense	*7*	**43**	34
		548	461
Net change in non-cash working capital	*10*	**834**	(373)
CASH PROVIDED BY OPERATING ACTIVITIES		**1,382**	88
INVESTING ACTIVITIES			
Acquisition of London Spine Centre	*3*	**-**	(175)
Acquisition of property, plant and equipment		**(31)**	(47)
CASH USED IN INVESTING ACTIVITIES		**(31)**	(222)
FINANCING ACTIVITIES			
Repayment of long-term debt	*5*	**(764)**	(48)
Repayment of related party loans	*13*	**(3,674)**	-
Repayment of debenture offering	*5*	**(1,453)**	-
Advances of long-term debt	*5*	**6,500**	-
Repayment of lease obligations	*4*	**(428)**	(495)
Common shares repurchased	*6*	**(57)**	-
Receipts from other assets receivable		**24**	50
Proceeds on conversion of warrants	*8*	**7**	-
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**155**	(493)
Net change in cash and cash equivalents during the period		**1,506**	(627)
Cash and cash equivalents, beginning of period		**2,923**	3,177
CASH AND CASH EQUIVALENTS, END OF PERIOD		**4,429**	2,550
Supplemental cash flow information			
Interest paid[1]		**60**	57
Income taxes paid		**80**	232

1. Amounts received for interest were reflected as operating cash flows in the Condensed Consolidated Interim Statements of Cash Flows.

The accompanying Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

1. NATURE OF BUSINESS

NeuPath Health Inc. ("NeuPath" or the "Company") operates a network of healthcare clinics and related businesses focused on improved access to care and outcomes for patients by leveraging best-in-class treatments and delivering patient-centred multidisciplinary care, enabling each individual to live their best life.

The Company operates a network of medical clinics in Ontario and Alberta that provide comprehensive assessments and rehabilitation services to patients with chronic pain, musculoskeletal/back injuries, sports-related injuries and concussions. NeuPath's healthcare providers cover a broad range of specialties and include: Physiatrists, Neurologists, Anesthesiologists, Orthopedic Surgeons, General Practitioners with specialized training in chronic pain, as well as Medication Management Physicians, Athletic Therapists, Psychotherapists, Dietitians, Nurses and other allied health practitioners.

In addition, NeuPath provides workplace health services and independent medical assessments to employers and disability insurers through a national network of healthcare providers, including: Cardiologists, Dentists, Dermatologists, Endocrinologists, Psychiatrists, Gastroenterologists, General Practitioners, Internal Medicine Specialists, Neurologists, Neuropsychiatrists, Neuropsychologists, Occupational Therapists, Ophthalmologists, Orthopedic Surgeons, Physiatrists, Physiotherapists, Psychologists, Respirologists and Rheumatologists.

NeuPath has 10 locations across Ontario and 2 locations in Alberta staffed with more than 154 healthcare providers.

The Company's registered office is located at 181 Bay Street, Suite 2100, Toronto, Ontario, Canada, M5J 2T3.

2. BASIS OF PREPARATION

Statement of Compliance

The Company prepares its Condensed Consolidated Interim Financial Statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these Condensed Consolidated Interim Financial Statements, were the same as those applied to the Company's annual Consolidated Financial Statements as at and for the year ended December 31, 2024.

These Condensed Consolidated Interim Financial Statements should be read in conjunction, and reflect consistent accounting policies, with the annual Consolidated Financial Statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025. Several amendments apply for the first time in 2025, but do not have a material impact on the Company's Condensed Consolidated Interim Financial Statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued, but is not yet effective.

These unaudited Condensed Consolidated Interim Financial Statements were issued and effective as at May 14, 2025, the date the Board of Directors approved these Condensed Consolidated Interim Financial Statements.

Use of Estimates and Judgments

The preparation of these Condensed Consolidated Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these Condensed Consolidated Interim Financial Statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates and such differences could be material.

Basis of Measurement

These Condensed Consolidated Interim Financial Statements have been prepared under the historical cost convention, except for the revaluation of certain financial liabilities to fair value. Items included in the financial statements of each consolidated entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These Condensed Consolidated Interim Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.

Basis of Consolidation
These Condensed Consolidated Interim Financial Statements include the accounts of the Company and its subsidiaries as follows:

	% Ownership
5033421 Ontario Inc.	**100%**
Aidly Inc.	**100%**
CompreMed Canada Inc.	**100%**
HealthPointe Medical Centres Ltd.[(i)]	**100%**
Renaissance Asset Management (London) Inc.	**100%**
Viable Healthworks (Canada) Corp.	**100%**

[(i)] Includes a 50% ownership in HealthPointe@CAO Services Ltd., a subsidiary of HealthPointe Medical Centres Ltd. (“HealthPointe”).

The Company controls its subsidiaries with the power to govern their financial and operating policies. All significant intercompany balances and transactions have been eliminated upon consolidation. The Company attributes the total comprehensive income or loss of HealthPointe@CAO Services Ltd. between the equity holders of the parent and the non-controlling interests based on their respective ownership interests.

3. BUSINESS COMBINATIONS

Acquisition of London Spine Centre
On January 12, 2024, the Company acquired control of the assets of SIBI Medical Inc. operating as the London Spine Centre in London, Ontario. The London Spine Centre had an interdisciplinary group of healthcare providers that use evidence-based care to help treat back, neck and other spinal conditions.

This transaction included all existing tangible assets of the London Spine Centre, intellectual property, patient relationships, and the assumption of a facility lease and existing physician and staff contracts. The transaction has been accounted for as a business combination within the scope of IFRS 3, *Business Combinations* (“IFRS 3”), as the acquired assets meet the definition of a business. The acquisition aligns with the Company’s growth strategy of expanding its clinic network through acquisitions.

The Company finalized its measurement of the assets acquired and liabilities assumed, as a result of the London Spine Centre acquisition on October 1, 2024. The consideration transferred and fair values of identifiable assets and liabilities of the London Spine Centre as at the date of acquisition were:

Consideration transferred	**$**
Amount settled in cash	175
Fair value of contingent consideration	-
Total consideration transferred	**175**
Recognized amounts of identifiable net assets	
Other current assets	2
Property, plant and equipment	31
Right-of-use assets	155
Intangible asset - patient relationships	110
Total identifiable assets acquired	**298**
Accounts payable and accrued liabilities	(2)
Lease obligations	(155)
Total liabilities assumed	**(157)**
Total identifiable net assets acquired	**141**
Goodwill on acquisition	**34**

Consideration Transferred

The acquisition of the London Spine Centre was settled using $0.2 million from cash on hand. The purchase and sale agreement included additional contingent consideration payable to the vendor as amounts equal to five times the Normalized EBITDA, as defined in the agreement of purchase and sale of the clinic, in each of the three months ended March 31, 2024, June 30, 2024 and September 30, 2024. The Company assessed the fair value of the initially recognized contingent consideration to be $nil, which represented the present value of the Company's probability-weighted estimate of cash outflow and management's estimate if certain targets were achieved.

No amounts were payable or paid relating to additional contingent consideration for each of the three months ended March 31, 2024, June 30, 2024 and September 30, 2024.

Identifiable Intangible Assets

The identifiable patient relationships were valued using an income approach. Specifically, patient relationships were valued using a multi-period excess earnings method, applying a discount rate of 15%.

Patient relationships are considered finite-lived intangible assets and will be amortized on a straight-line basis over their estimated useful life of seven years, with amortization having commenced on the acquisition date.

Other Identifiable Net Assets

As part of the acquisition, the Company assumed the underlying lease of the existing clinic space in London, Ontario. The Company assessed the related right-of-use ("ROU") asset and related lease obligation associated with the clinic in accordance with IFRS 16, *Leases* (see Note 4, *Lease Obligations*). The acquisition-date fair value was determined as the present value of the lease payments using the Company's incremental borrowing rate of 7.2%.

Effective October 27, 2024, the Company terminated its facility lease agreement for the clinic space, by transferring its rights and obligations under the facility lease agreement back to the landlord. The Company incurred nominal costs related to this transfer.

Goodwill

Goodwill of $34 is primarily related to growth expectations and future profitability from expected cost synergies. Goodwill has been allocated to the medical clinic's cash-generating unit and was not deductible for income tax purposes.

Contribution to the Company's Results in the Year of Acquisition

For the year ended December 31, 2024, the acquisition accounted for $0.9 million in revenue and $0.1 million in net loss, since the January 12, 2024 acquisition date. If the acquisition had been completed on January 1, 2024, the Company estimates it would have recorded $72.9 million in pro-forma revenues and $0.5 million in pro-forma net loss for the year ended December 31, 2024.

Amounts Recognized Separately from the Business Combination

Acquisition-related costs of $43 were recognized as part of transaction costs for the year ended December 31, 2024. These costs were not included as part of the consideration transferred.

4. LEASE OBLIGATIONS

The Company leases medical equipment, computer equipment and real property for its clinical and office locations in Canada. Lease obligations consist of the following:

Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.

	2025	2024
	$	$
Balance, as at January 1	**5,592**	6,481
Additions during the period	**179**	193
Payments during the period	**(428)**	(495)
Interest expense during the period	**101**	128
	5,444	6,307
Less: amounts due within one year	**975**	1,141
Long-term balance, March 31	**4,469**	5,166

During the three months ended March 31, 2025, the Company entered into a new lease agreement for its existing Windsor location, resulting in additions to lease obligations of $0.2 million.

During the three months ended March 31, 2024, the Company acquired new lease obligations as part of the acquisition of the London Spine Centre (see Note 3, *Business Combinations*) totalling $0.2 million. The Company also extended its printer lease resulting in an additional lease obligation of $38. The Company recognizes corresponding ROU assets for any lease obligation additions.

For the three months ended March 31, 2025, lease payments totalled $428 [$495 for the three months ended March 31, 2024]. The Company expenses payments for short-term leases and low-value leases as incurred. These payments for short-term leases and low-value leases were not material for the three months ended March 31, 2025 and 2024.

The Company's future cash outflows may change due to variable lease payments, renewal options, termination options, residual value guarantees and leases that have not yet commenced, which the Company is committed to, but are not reflected in the lease obligations.

The following is a maturity analysis for undiscounted lease payments that are reflected in the lease obligations as at March 31, 2025:

	$
Less than 1 year	1,336
1 to 2 years	1,034
2 to 3 years	967
3 to 4 years	765
4 to 5 years	689
Beyond 5 years	2,218
	7,009

See Note 11, *Commitments* for additional information on estimated additional rent payment obligations related to the Company's leases on its clinical and office locations.

5. LONG-TERM DEBT

	March 31, 2025	December 31, 2024
	$	$
National Bank of Canada	**6,500**	-
Royal Bank of Canada	**-**	764
Debenture Offering	**-**	1,319
	6,500	2,083
Less: amounts due within one year	**650**	2,083
Long-term balance	**5,850**	-

National Bank of Canada Credit Facilities
On March 26, 2025, the Company entered into a new credit agreement (the "Credit Agreement") with the National Bank of Canada ("NBC"), providing total credit facilities of $13.5 million in loans, comprised of (i) $4.0 million revolving credit facility (the "Revolving Facility"), (ii) $3.0 million non-revolving delayed draw term loan facility (the "Acquisition Line"), and (iii) $6.5 million non-revolving term loan facility (the "Term Loan", and collectively with the Revolving Facility and Acquisition Line, the "Credit Facilities"). The Credit Facilities replaced the Company's existing Credit Facility with the Royal Bank of Canada ("RBC").

The Revolving Facility permits the Company to draw amounts at any time for working capital, capital expenditures and general corporate purposes, subject to the Company satisfying certain financial covenants. The Company is required to make monthly interest payments in respect of the balance outstanding under the Revolving Facility. Amounts drawn under the Revolving Facility are revolving in nature and bear interest based on a variable pricing grid tied to the Company's leverage ratio. There were no amounts drawn on the Revolving Facility and the effective interest rate was NBC Prime+1.00% as at March 31, 2025.

The Acquisition Line permits the Company to draw amounts for permitted acquisitions under the Credit Agreement, with prior consent from NBC. The Company may draw a maximum of three advances, with the minimum denominated amount of each drawing of $1.0 million. Amounts drawn under the Acquisition Line are non-revolving in nature and bear interest based on a variable pricing grid tied to the Company's leverage ratio, and any amounts repaid may not be reborrowed or subject to any further advances. The Company is required to make quarterly repayments based on a 10-year amortization period on outstanding balances. Amounts drawn under the Acquisition Line bear interest based on a variable pricing grid tied to the Company's leverage ratio. There were no amounts drawn on the Acquisition Line and the effective interest rate was NBC Prime+1.00% as at March 31, 2025.

The Term Loan was advanced to the Company in the form of a single advance on the closing date of the Credit Agreement, to be used by the Company for the purpose of refinancing its existing debt on the closing date. The Company used the Term Loan proceeds of $6.5 million to repay amounts outstanding under the RBC credit facility, to redeem and fully repay the Debentures, and repaid all outstanding related party loans. Amounts drawn under the Term Loan are non-revolving in nature and bear interest based on a variable pricing grid tied to the Company's leverage ratio, and any amounts repaid may not be reborrowed or subject to any further advances. The Term Loan renews on March 26, 2028, and the Company is required to make quarterly principal repayments based on a 10-year amortization period on the outstanding balance. The effective interest rate on the outstanding Term Loan balance was NBC Prime+1.00% as at March 31, 2025.

Under the terms of the Credit Agreement, the lenders have security over substantially all the assets of the Company, along with postponement of claims and subordination from all borrowers, including related parties. The terms of the Credit Facilities require the Company to meet certain financial tests and to satisfy various affirmative and negative covenants that limit, among other things, the Company's ability to incur additional indebtedness outside of permitted amounts. The Credit Facilities also include customary events of default, including payment and covenant breaches, bankruptcy events and the occurrence of change of control.

Private Placement Debenture Offering
On May 2, 2023, the Company announced the closing of its brokered private placement offering of 10% subordinated and postponed unsecured non-convertible debenture units of the Company (the "Units") for gross proceeds of $1.5 million (the "Debenture Offering"). As part of the Debenture Offering, the Company issued 1,453 Units, with each Unit comprised of: (i) $1,000 principal amount of subordinated and postponed unsecured non-convertible debentures of the Company (the "Debentures"); (ii) for no additional consideration, such number of common shares (collectively, the "Bonus Shares") as was equal to 10% of the principal amount of the Debentures purchased divided by $0.09, being the market closing price of the common shares on the TSX Venture Exchange (the "Exchange") on April 10, 2023, totalling 1,614,444 Bonus Shares; and (iii) 836,111 Private Placement Broker Warrants ("Broker Warrants") exercisable for one common share of the Company at an exercise price equal to $0.15 per common share until May 2, 2025.

Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.

The Debentures were issued pursuant to and were governed by the terms of a debenture indenture dated May 2, 2023 entered into between the Company and the TSX Trust Company as the debenture trustee. The Debentures had a maturity date of May 2, 2025 and bore interest at a rate of 10% per annum payable quarterly in arrears in cash. The Company was entitled to redeem the Debentures at any time prior to May 2, 2025, in part or in full, subject to an early repayment premium that varied based on the redemption date.

On March 26, 2025, the Company provided notice to holders of its Debenture Units of its intention to redeem all outstanding Debentures, and paid the principal amount of $1.5 million, plus an early repayment penalty amounting to $44, and all accrued and unpaid interest (the "Total Redemption Price") to the TSX Trust Company, to hold in trust as debenture trustee until paid to debenture holders on April 25, 2025 (the "Redemption Date"). Upon payment of the Total Redemption Price on the Redemption Date, all redeemed Debenture Units were cancelled, and the previous Debenture holders have no further rights in respect thereof, except to obtain payment of their portion of the Total Redemption Price. The Company incurred a loss on settlement of Debentures resulting from the early repayment amounting to $44, which has been included in transaction costs during the three months ended March 31, 2025.

Debentures consist of the following:

	March 31, 2025	December 31, 2024
	$	$
Debentures	**1,453**	1,453
Less: discount due to bonus shares	**(210)**	(210)
Less: transaction costs	**(385)**	(385)
	858	858
Add: accrued interest	**46**	146
Less: cash interest paid to Debenture holders	**(46)**	(146)
Add: accretion of Debenture Offering	**595**	461
Less: debenture balance repayment	**(1,453)**	-
Debenture Offering	**-**	1,319
Less: current portion	**-**	1,319
Long-term Debenture Offering	**-**	-

Cash interest of $46 was paid on the Debentures during the three months ended March 31, 2025 [$36 for the three months ended March 31, 2024]. Accretion of the Debenture Offering was $0.1 million during the three months ended March 31, 2025 [$66 for the three months ended March 31, 2024].

RBC Credit Facility

On November 10, 2023, the Company secured a credit agreement with the Royal Bank of Canada ("RBC Credit Facility") , which provided up to $5.0 million of borrowing capacity through a $3.5 million revolving operating line ("RBC Revolving Facility"), a $0.5 million lease facility ("RBC Lease Facility"), and refinancing of existing term debt of $1.0 million ("RBC Term Loan").

The RBC Revolving Facility, bearing interest at RBC Prime+1.75%, was available for working capital and general corporate purposes, and no amounts were drawn as at March 31, 2025 and 2024. The RBC Lease Facility allowed the Company to finance equipment at prevailing market interest rates at the time of drawdown over a five-year amortization period. No amounts were drawn on the RBC Lease Facility as at March 31, 2025 and 2024. The RBC Term Loan refinanced the previous long-term debt, assumed as part of the HealthPointe acquisition in February 2021, over a five-year amortization period, and bore interest at RBC Prime+1.80%. The RBC Lease Facility and RBC Term Loan were jointly capped at $1.5 million of borrowings.

On March 26, 2025, the Company utilized partial proceeds from the NBC Credit Facilities to repay the total outstanding balance of the RBC Term Loan of approximately $0.7 million and terminated the RBC Revolving Facility and RBC Lease Facility.

Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.

6. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares with no nominal or par value, with a right to one vote per share and a right to a dividend when declared by the Board of Directors.

The following table summarizes the Company's outstanding common shares:

	Number of shares	$
Balance, December 31, 2023	56,293	44,127
Shares issued through options exercised (Note 7)	124	24
Shares repurchased and cancelled	(30)	(23)
Shares repurchased, but not cancelled	-	(79)
Balance, December 31, 2024	56,387	44,049
Conversion of warrants (Note 8)	46	9
Shares repurchased and cancelled	(378)	(218)
Balance, March 31, 2025	**56,055**	**43,840**

On November 27, 2024, the Company announced that the Exchange approved its proposed Normal Course Issuer Bid ("NCIB") to purchase up to a maximum of 2,820,044 common shares for cancellation starting November 27, 2024 and ending November 26, 2025 or such earlier date as the Company completes its purchases pursuant to the NCIB or provides notice of termination. In connection with the NCIB, the Company entered into an automatic securities purchase plan ("ASPP") that contains strict parameters regarding how its common shares may be repurchased during times when it would ordinarily not be permitted to purchase common shares due to regulatory restrictions or self-imposed blackout periods. Such purchases are executed by the broker on parameters established by the Company prior to the pre-established ASPP period. The Company may terminate the NCIB and ASPP provided that the insiders of the Company are not then in a trading blackout and the Company is not otherwise in possession of any material undisclosed information about its business. The Company's maximum repurchase commitment with the broker for the remainder of the NCIB program amounted to $0.2 million as at March 31, 2025.

During the three months ended March 31, 2025, 278,000 common shares with a carrying value of $0.2 million were repurchased for cancellation under the Company's NCIB for cash consideration of $57, at a weighted average price of $0.21. The excess of the carrying value over the purchase price was recorded to contributed surplus. An additional 100,000 common shares repurchased during the year ended December 31, 2024 were cancelled during the three months ended March 31, 2025.

The Company did not issue common shares during the three months ended March 31, 2025 and 2024.

7. STOCK-BASED COMPENSATION

The Company has three stock-based compensation plans: the Amended and Restated Stock Option Plan ("Stock Option Plan"), the Amended and Restated Restricted Share Unit Plan ("RSU Plan") and the Employee Share Purchase Plan ("ESPP").

Stock Option Plan

During the three months ended March 31, 2025 and 2024, there were no issuances of options ("Options") under the Stock Option Plan. As at March 31, 2025, the maximum number of common shares available for issuance under the Stock Option Plan was 826,278 [December 31, 2024 - 825,668].

The following is a schedule of the Options outstanding:

	Options 000s	Range of Exercise Price $	Weighted Average Exercise Price $
Balance, December 31, 2024	4,814	0.14 - 1.00	0.24
Expired	(15)	0.16 - 0.87	0.58
Forfeited	(20)	0.14 - 0.19	0.15
Balance, March 31, 2025	**4,779**	**0.14 - 1.00**	**0.24**

The following table summarizes the outstanding and exercisable Options held by directors, officers, employees and contractors as at March 31, 2025:

	Outstanding			Exercisable	
Exercise Price Range $	Options 000s	Remaining Contractual Life Years	Weighted Average Exercise Price $	Vested Options 000s	Weighted Average Exercise Price $
1.00	158	0.7	1.00	158	1.00
0.87	127	2.4	0.87	127	0.87
0.45	266	2.2 - 4.2	0.45	217	0.45
0.30	465	4.4	0.30	465	0.30
0.18	120	6.5	0.18	-	0.18
0.16	1,280	4.6 - 5.2	0.16	832	0.16
0.14	1,543	5.2	0.14	414	0.14
0.19	820	6.7	0.19	-	0.19

Restricted Share Unit Plan
During the three months ended March 31, 2025 and 2024, there were no issuances of restricted share units ("RSUs") under the RSU Plan. As at March 31, 2025, the maximum number of common shares available for issuance under the RSU Plan was 1,373,693.

The following is a schedule of RSUs outstanding:

	RSUs 000s	Range of Exercise Price $	Weighted Average Exercise Price $
Balance, December 31, 2024	516	0.16 - 0.87	0.19
Balance, March 31, 2025	**516**	**0.16 - 0.87**	**0.19**

The following table summarizes the outstanding RSUs held by directors, officers, employees and contractors as at March 31, 2025:

RSUs 000s	Grant Date	Share Price $	Vesting Period Years	Fair Value per RSU $
31	November 22, 2022	0.16	4	0.16
60	December 9, 2024	0.19	1	0.19
425	December 9, 2024	0.19	4	0.19

Employee Share Purchase Plan
The maximum number of common shares that can be issued under the ESPP is 500,000. As at March 31, 2025, the ESPP has not yet been implemented and no common shares have been issued under this plan.

Summary of Stock-based Compensation
Stock-based compensation expense for the three months ended March 31, 2025 was $43, all of which has been included in general and administrative expenses [$34 for the three months ended March 31, 2024].

The maximum number of common shares that can be issued under all three plans cannot exceed 20% of the total number of common shares outstanding calculated on a non-diluted basis.

8. WARRANTS

As at March 31, 2025, the following warrants were outstanding:

				Fair Value Black-Scholes Model Inputs			
Type	**Exercise Price**	**Warrants Outstanding**	**Weighted Average Remaining Contractual Life**	**Risk-Free Rate**	**Expected Life**	**Volatility**	**Fair Value**
	$	**000s**	**Years**	**%**	**Years**	**%**	**$**
Warrants	0.25	4,480	0.83	0.73	3.7 - 8.7	55.00	800
Broker Warrants	0.15	790	0.09	2.37	2	91.08	47
		5,270	**0.72**				**847**

On May 2, 2023, the Company issued 836,111 Broker Warrants in connection with the Debenture Offering (see Note 5, *Long-term Debt*), exercisable for one common share of the Company at an exercise price of $0.15 per common share until May 2, 2025. In January 2025, 45,973 Broker Warrants with a fair value of $2 and exercise price of $0.15 were exercised for common shares. The Company received nominal cash proceeds upon exercise.

The Company did not issue any warrants during the three months ended March 31, 2025 and 2024.

9. NET LOSS PER COMMON SHARE

Net loss per common share is computed as follows:

	Three months ended March 31, 2025	Three months ended March 31, 2024
	$	$
Net loss	**(327)**	(344)
Average number of shares outstanding during the period	**56,218**	56,293
Basic loss per share	**(0.01)**	(0.01)
Net loss	**(327)**	(344)
Dilutive effect of:		
Vested stock options	**-**	-
Unvested RSUs	**-**	-
Warrants	**-**	-
Net loss, assuming dilution	**(327)**	(344)
Average number of shares outstanding during the period	**56,218**	56,293
Dilutive effect of:		
Vested stock options	**266**	10
Unvested RSUs	**516**	155
Warrants	**182**	76
Weighted average common shares outstanding, assuming dilution	**57,182**	56,534
Diluted loss per share	**(0.01)**	(0.01)

The following table presents the maximum number of shares that would be outstanding if all dilutive and potentially dilutive instruments were exercised or converted as at:

	March 31, 2025		March 31, 2024	
	Weighted Average Exercise Price	**Units Outstanding**	Weighted Average Exercise Price	Units Outstanding
	$	**000s**	$	000s
Common shares issued and outstanding	**-**	**56,218**	-	56,293
Options outstanding (Note 7)	**0.24**	**4,779**	0.32	4,420
RSUs outstanding (Note 7)	**0.19**	**516**	0.20	155
Warrants (Note 8)	**0.24**	**5,270**	0.23	5,316
		66,783		66,184

10. NET CHANGE IN NON-CASH WORKING CAPITAL

Net change in non-cash working capital consists of:

	Three months ended March 31, 2025	Three months ended March 31, 2024
	$	$
Accounts receivable	**(174)**	(702)
Other assets	**(65)**	14
Accounts payable and accrued liabilities	**1,020**	543
Income tax liabilities	**53**	(228)
Net change in non-cash working capital	**834**	(373)

11. COMMITMENTS

The Company leases real property for its clinical and office locations in Canada. The Company is committed for estimated additional variable rent payment obligations as follows:

	Expiry	**Additional Rent Payments**	**1 Year**	**2 to 3 Years**	**4 to 5 Years**	**> 5 Years**
Clinic Location		**$**	**$**	**$**	**$**	**$**
London	June 30, 2025	56	56	-	-	-
Brampton	July 31, 2025	17	17	-	-	-
Scarborough	July 31, 2025	24	24	-	-	-
Oshawa	November 30, 2025	48	48	-	-	-
Hamilton	November 30, 2025	26	26	-	-	-
Kitchener	December 31, 2025	10	10	-	-	-
Mississauga	January 31, 2026	39	39	-	-	-
Ottawa	July 31, 2028	385	128	221	36	-
Windsor	March 31, 2030	90	18	36	36	-
Red Deer	July 31, 2032	375	51	102	102	120
Edmonton	December 31, 2033	3,537	404	808	808	1,517
Mississauga	February 28, 2034	627	71	136	142	278
		5,234	**892**	**1,303**	**1,124**	**1,915**

These additional rent payments are variable and, therefore, have not been included in ROU assets or lease obligations.

Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.

12. FINANCIAL INSTRUMENTS

Classification of Financial Instruments
Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The classification of the financial instruments, as well as their carrying values, are shown in the table below:

	March 31, 2025	December 31, 2024
	$	$
Financial assets at amortized cost		
Cash and cash equivalents	**4,429**	2,923
Accounts receivable	**7,842**	7,668
Other assets	**1,089**	1,053
Total financial assets	**13,360**	11,644
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**9,466**	8,446
Due to related parties	**-**	3,674
Long-term debt	**6,500**	2,083
Lease obligations	**5,444**	5,592
Total financial liabilities	**21,410**	19,795

The Company's financial instruments are measured at amortized cost and their fair values approximate carrying values.

Financial Instruments
IFRS 13, *Fair Value Measurement* requires disclosure of a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements. All assets and liabilities for which fair value is measured or disclosed in these Condensed Consolidated Interim Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than quoted prices in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that are supported by little or no market activity.

The Company reviews the fair value hierarchy classification on a quarterly basis. Changes to the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The Company did not have any transfer of assets or liabilities between Level 1, Level 2 and Level 3 of the fair value hierarchy during the three months ended March 31, 2025 and 2024.

Credit Risk
The Company, in the normal course of business, is exposed to credit risk from its customers. Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and cash equivalents, accounts receivable and other assets. The Company's objective with respect to credit risk in its operating activities is to reduce its exposure to losses. As the Company does not utilize credit derivatives or similar instruments, the maximum exposure to credit risk is the full amount of the carrying value of its cash and cash equivalents and accounts receivable.

The Company's accounts receivable relate to revenue earned from its customers. Credit risk is low as the Company's major customers are government organizations. Non-government customers include private health plans and employers, and do not significantly impact the Company's credit risk.

Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.

The Company's cash and cash equivalents are held with multiple financial institutions in various bank accounts. These financial institutions include three major banks in Canada, which the Company believes lessens the degree of credit risk. Cash and cash equivalents include cash on hand and current balances with banks and similar institutions, including money market mutual funds, which are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

Risk Factors

The following is a discussion of liquidity risk and interest rate risk and related mitigation strategies that have been identified. This is not an exhaustive list of all risks nor will the mitigation strategies eliminate all risks listed.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations as they become due. The Company's objective is to provide for expected cash requirements and accommodate for changes in liquidity needs. The Company manages this risk by managing its capital structure through continuous monitoring of its actual and projected cash flows.

As at March 31, 2025, the Company's financial liabilities had contractual maturities as summarized below:

		Current	Non-current		
	Total $	Within 12 Months $	1 to 2 Years $	3 to 5 Years $	> 5 Years $
Accounts payable and accrued liabilities	**9,466**	9,466	-	-	-
Long-term debt	**6,500**	650	1,300	1,300	3,250
Lease obligations	**5,444**	975	1,412	1,101	1,956
	21,410	**11,091**	**2,712**	**2,401**	**5,206**

Interest rate risk

Financial instruments that potentially subject the Company to cash flow interest rate risk are those assets and liabilities with a variable interest rate. Three of the Company's loan facilities, included in long-term debt, have a variable interest rate. Accordingly, with respect to the carrying and fair values of interest-bearing liabilities, an assumed 25-basis point increase or decrease in interest rates would not have a significant impact on net and comprehensive income (loss).

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company's lease obligations and certain long-term debt are at fixed rates of interest. Those financial assets and financial liabilities that are non-interest bearing are carried at amortized cost and calculated using discount rates appropriate to the related debt.

The Company's policy is to minimize interest rate cash flow risk exposures on its long-term financing.

13. RELATED PARTY TRANSACTIONS

The Company's related parties include certain investors and shareholders, subsidiaries and key management personnel.

Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.

Loans from Related Parties

The following related party balances were outstanding as at:

	March 31, 2025	December 31, 2024
	$	$
Due to Bloom Burton & Co. Inc.	**-**	3,631
Due to Bloom Burton Development Corp.	**-**	43
	-	3,674

The amount due to Bloom Burton & Co. Inc. ("BBCI"), a shareholder of the Company, is non-interest bearing, unsecured and due on demand. The amount due to Bloom Burton Development Corp. ("BBDC"), a shareholder of the Company, is non-interest bearing, unsecured and due on demand. On March 26, 2025, the Company utilized partial proceeds from the NBC Credit Facilities to repay the outstanding loans from BBCI and BBDC in full, amounting to $3.7 million.

Bloom Burton Securities Inc. acted as a broker for the Debenture Offering (see Note 5, *Long-term Debt*). The fees paid to Bloom Burton Securities Inc. ("BBSI") for the Debenture Offering were nominal. BBSI also received 76,390 Broker Warrants issued in connection with the Debenture Offering, with a fair value of $5 (see Note 8, *Warrants*).

Joseph Walewicz, Chief Executive Officer and a Director of the Company and Daniel Chicoine, the Chair of the Board of Directors of the Company, participated in the Debenture Offering. Their participation accounted for 11% of the gross proceeds from the Debenture Offering and they received a proportionate share of the Bonus Shares issued based on their participation rate. On March 26, 2025, the Company provided notice to holders of its Debenture units of its intention to redeem all outstanding Debentures, and the Company utilized partial proceeds from the NBC Credit Facilities to repay the Total Redemption Price (see Note 5, *Long-term Debt*).

14. DISAGGREGATED REVENUES

The Company's revenues are disaggregated by major category:

	Three months ended March 31, 2025	Three months ended March 31, 2024
	$	$
Clinic revenue	**18,046**	16,168
Non-clinic revenue	**1,289**	1,318
Total revenue	**19,335**	17,486

Non-clinic revenue is earned from physician staffing allocation services where the Company provides physicians for provincial and federal correctional institutions across Canada, and from contract research services provided to pharmaceutical companies and clinical research organizations.

The Company has two major customers that accounted for 87% of the Company's total revenue for the three months ended March 31, 2025 [two major customers represented 86% of the Company's total revenue for the three months ended March 31, 2024].

15. CONTINGENCIES

Litigation

The Company is engaged in various legal proceedings that have arisen in the normal course of business. The Company believes it has prepared valid defences and that its defences against these claims will be successful. The Company believes that any current ongoing claims are without merit and frivolous in nature and has determined that a loss is not more likely than not to occur. Accordingly, no amounts have been provisioned for such claims in these Condensed Consolidated Interim Financial Statements. Management intends to defend the matters vigorously. The Company believes that no material exposure exists on the eventual settlement of such litigation.

Harmonized Sales Tax
From time to time, the Company may be subject to review and audit of its tax filing positions, which arises in the normal course of business. The Company underwent a Harmonized Sales Tax (“HST”) audit by the Canada Revenue Agency (“CRA”), which resulted in additional HST assessments for the years 2014 to 2019, totalling $2.0 million. In May 2023, the Company received a positive response from the CRA confirming that they allowed several objections, leading to a refund of approximately $1.9 million. In August 2023, the Company filed a Notice of Objection with the CRA for claims amounting to approximately $0.2 million related to 2015 and 2016 filing periods, which was approved by the CRA in December 2024, resulting in an additional refund of approximately $0.2 million, including interest, received in February 2025.

16. SUBSEQUENT EVENTS

In April 2025, 76,390 Broker Warrants with a fair value of $5 and exercise price of $0.15 were exercised for common shares by a related party of the Company. The Company received nominal cash proceeds upon exercise.