



NeuPath Health Inc.

**Consolidated
Financial Statements
December 31, 2025 and 2024
(audited)**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NeuPath Health Inc.

Opinion

We have audited the consolidated financial statements of NeuPath Health Inc., and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of net and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025 and 2024 in accordance with IFRS Accounting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Annual impairment test of goodwill

Key audit matter	How our audit addressed the key audit matter
<p>As at December 31, 2025, the Group's goodwill was \$20,752,000. As discussed in notes 4 and 10 of the Group's consolidated financial statements, goodwill is tested for impairment at least annually at the Medical Clinics cash generating unit, using the value in use model.</p> <p>Auditing management's annual goodwill impairment test was complex, given the degree of judgment and subjectivity in evaluating management's estimates and assumptions in determining the recoverable amount of the Medical Clinics cash generating unit as at December 31, 2025. Significant assumptions included discount rate, terminal growth rate, revenue growth and cost of medical services.</p>	<p>To test the recoverable amount of the Medical Clinics cash generating unit, our procedures included the following, among others:</p> <ul style="list-style-type: none"> • Tested the integrity and mathematical accuracy of the Group's discounted cash flow model and recalculated the recoverable amount; • Assessed the reasonability of management's projections for revenue growth and cost of medical services by comparing the projections to historical operating results and budgeted activity; • Involved our valuation specialists to assess management's valuation methodology, discount rate and terminal growth rate using

	<p>publicly available market data for comparable entities and other sector data;</p> <ul style="list-style-type: none"> • Performed sensitivity analysis of the significant assumptions to evaluate changes in the recoverable amount that would result from changes in the underlying inputs; and • Assessed the adequacy of the Group's disclosures included in notes 4 and 10 of the accompanying consolidated financial statements in relation to this matter.
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Other information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

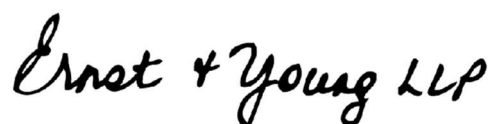
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Paula J. Smith.

The logo for Ernst & Young LLP is written in a black, cursive script font. The letters are connected and fluid, with a professional yet approachable feel.

Chartered Professional Accountants
Licensed Public Accountants

March 25, 2026
Toronto, Canada

**NEUPATH HEALTH INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<i>(Canadian dollars in thousands)</i>	<i>Notes</i>	As at December 31, 2025	As at December 31, 2024
		\$	\$
ASSETS			
CURRENT			
Cash and cash equivalents		4,472	2,923
Accounts receivable	6	8,668	7,668
Other assets	7	750	529
TOTAL CURRENT ASSETS		13,890	11,120
NON-CURRENT			
Property, plant and equipment	8	3,354	3,453
Right-of-use assets	8	6,105	4,756
Other assets	7	379	524
Intangible assets	9	585	629
Goodwill	10	20,752	20,752
Deferred income tax assets	20	25	68
TOTAL ASSETS		45,090	41,302
LIABILITIES AND EQUITY			
CURRENT			
Accounts payable and accrued liabilities		10,868	8,446
Current portion of long-term debt	12	650	2,083
Current portion of lease obligations	11	1,113	1,101
Current income tax liabilities	20	134	75
Current portion of due to related parties	23	-	3,674
TOTAL CURRENT LIABILITIES		12,765	15,379
NON-CURRENT			
Long-term debt	12	5,525	-
Lease obligations	11	5,849	4,491
TOTAL LIABILITIES		24,139	19,870
EQUITY			
Share capital	13	43,560	44,049
Warrants	15	-	849
Contributed surplus	14	4,526	3,256
Deficit		(27,467)	(26,750)
Equity attributable to shareholders of NeuPath Health Inc.		20,619	21,404
Non-controlling interest		332	28
TOTAL EQUITY		20,951	21,432
TOTAL LIABILITIES AND EQUITY		45,090	41,302

Note 21, *Commitments*

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

Approved on behalf of the Board of Directors:

/s/ Daniel Chicoine

Daniel Chicoine, Director

/s/ Sasha Cucuz

Sasha Cucuz, Director

**NEUPATH HEALTH INC.
CONSOLIDATED STATEMENTS OF NET AND
COMPREHENSIVE LOSS**

		Year ended December 31, 2025	Year ended December 31, 2024
<i>(Canadian dollars in thousands, except per share figures or otherwise noted)</i>	Notes	\$	\$
REVENUE			
Medical services	25	87,193	72,806
Total revenue		87,193	72,806
OPERATING EXPENSES			
Cost of medical services	18	70,600	58,948
General and administrative expenses	18	10,484	8,293
Occupancy costs		1,782	1,859
Depreciation and amortization	18	2,291	2,297
Restructuring	18	-	147
Total operating expenses		85,157	71,544
OTHER EXPENSES			
Interest cost	11, 12	895	945
Transaction and other costs		1,198	570
Loss on sale of property, plant and equipment	8	-	20
Net loss before income taxes		(57)	(273)
INCOME TAXES			
Current income tax expense	20	314	272
Deferred income tax expense (recovery)	20	42	(60)
Total income tax expense		356	212
NET AND COMPREHENSIVE LOSS		(413)	(485)
Attributed to:			
Shareholders of NeuPath Health Inc.		(717)	(728)
Non-controlling interest		304	243
		(413)	(485)
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		56,362	56,349
- diluted		58,818	57,442

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

**NEUPATH HEALTH INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Attributable to shareholders of NeuPath Health Inc.									
		Share Capital		Warrants	Contributed Surplus	Deficit	Total	Non-controlling Interest	Total Equity
<i>(Canadian dollars in thousands, except number of shares)</i>	<i>Notes</i>	<i>000s</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Balance, December 31, 2023		56,293	44,127	849	3,100	(26,022)	22,054	(215)	21,839
Stock-based compensation expense	14	-	-	-	102	-	102	-	102
Restricted share units, vested and exercised	14	124	24	-	(24)	-	-	-	-
Shares repurchased and cancelled	13	(30)	(23)	-	18	-	(5)	-	(5)
Shares repurchased but not cancelled	13	-	(79)	-	60	-	(19)	-	(19)
Net and comprehensive loss		-	-	-	-	(728)	(728)	243	(485)
Balance, December 31, 2024		56,387	44,049	849	3,256	(26,750)	21,404	28	21,432
Stock-based compensation expense	14	-	-	-	226	-	226	-	226
Conversion of warrants	15	781	163	(46)	-	-	117	-	117
Expiry of warrants	15	-	-	(3)	3	-	-	-	-
Restricted share units, vested and exercised	14	182	80	-	(80)	-	-	-	-
Shares repurchased and cancelled	13	(1,043)	(732)	-	501	-	(231)	-	(231)
Warrants repurchased and cancelled	15	-	-	(800)	620	-	(180)	-	(180)
Net and comprehensive loss		-	-	-	-	(717)	(717)	304	(413)
Balance, December 31, 2025		56,307	43,560	-	4,526	(27,467)	20,619	332	20,951

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

**NEUPATH HEALTH INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(Canadian dollars in thousands)</i>	<i>Notes</i>	Year ended December 31, 2025	Year ended December 31, 2024
		\$	\$
OPERATING ACTIVITIES			
Net and comprehensive loss		(413)	(485)
Items not involving current cash flows:			
Depreciation and amortization	18	2,291	2,297
Accretion of lease obligations	11	435	476
Accretion of other assets		(12)	(16)
Accretion of debenture offering	12	134	313
Equity-settled stock-based compensation expense	14	226	102
Deferred income tax expense (recovery)		42	(60)
Loss on sale of property, plant and equipment	8	-	20
		2,703	2,647
Net change in non-cash working capital	19	1,300	(40)
CASH PROVIDED BY OPERATING ACTIVITIES		4,003	2,607
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	8	(718)	(948)
Acquisition of intangible assets, net	9	(145)	-
Acquisition of London Spine Centre	5	-	(175)
Proceeds from disposal of property, plant and equipment		-	16
CASH USED IN INVESTING ACTIVITIES		(863)	(1,107)
FINANCING ACTIVITIES			
Repayment of long-term debt	12	(1,089)	(195)
Repayment of related party loans	23	(3,674)	-
Repayment of debenture offering	12	(1,453)	-
Advances of long-term debt	12	6,500	-
Repayment of lease obligations	11	(1,677)	(1,657)
Common shares repurchased	13	(231)	(24)
Receipts from other assets receivable		96	122
Proceeds on conversion of warrants	15	117	-
Warrants repurchased and cancelled	15	(180)	-
CASH USED IN FINANCING ACTIVITIES		(1,591)	(1,754)
Net change in cash and cash equivalents during the year		1,549	(254)
Cash and cash equivalents, beginning of year		2,923	3,177
CASH AND CASH EQUIVALENTS, END OF YEAR		4,472	2,923
Supplemental cash flow information			
<i>Interest paid</i> ¹		344	239
<i>Income taxes paid</i>		287	487

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

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

NEUPATH HEALTH INC.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

1. NATURE OF BUSINESS

NeuPath Health Inc. (“NeuPath” or the “Company”) operates one of Canada’s largest networks of community-based, multidisciplinary medical facilities focused on the assessment and treatment of chronic pain, musculoskeletal/back pain, sports medicine and other pain medical services markets. NeuPath provides improved access to care and outcomes for patients by leveraging best-in-class treatments and delivering patient-centered multidisciplinary care. Working within Canada’s publicly funded healthcare system, NeuPath delivers insured medical services to help extend the appropriate care from hospitals into the community, which are complemented by select non-insured procedures to provide a comprehensive and coordinated treatment for patients.

NeuPath’s scalable platform and diversified service mix, positions the Company for continued geographic expansion while increasing access to community-based care. NeuPath’s healthcare providers cover a broad range of specialties and include: Psychiatrists, Neurologists, Anesthesiologists, Orthopedic Surgeons, and General Practitioners with specialized training in chronic pain, as well as Athletic Therapists, Psychotherapists, Dietitians, Nurses and other allied health practitioners.

NeuPath’s non-clinic operations include its staffing business that provides physicians to federal and provincial correctional facilities and its research business that provides clinical trial infrastructure and support services to pharmaceutical companies, physicians and contract research organizations to support clinical research.

NeuPath has 10 medical facilities across Ontario and 2 medical facilities in Alberta staffed with more than 148 healthcare providers.

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

2. BASIS OF PREPARATION

Basis of Measurement

These Consolidated 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 Consolidated Financial Statements are presented in Canadian dollars, which is the Company’s functional currency.

Statement of Compliance

The Company prepares its Consolidated Financial Statements in accordance with IFRS Accounting Standards (“IFRS”) in effect as at and for the year ended December 31, 2025.

The policies applied to these Consolidated Financial Statements are based on IFRS, which have been applied consistently to all periods presented, except as disclosed in Note 3, *Adoption of New Accounting Standards*. These Consolidated Financial Statements were issued and effective as at March 25, 2026, the date the Board of Directors approved these Consolidated Financial Statements.

Basis of Consolidation

These Consolidated Financial Statements include the accounts of the Company and its subsidiaries as follows:

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

⁽ⁱ⁾ Entity was dissolved in accordance with clause 237(a) or (b) (as applicable) of the *Business Corporations Act (Ontario)* on December 19, 2025.

⁽ⁱⁱ⁾ Entity was dissolved in accordance with section 210 (3) of the *Canada Business Corporations Act* on December 17, 2025.

⁽ⁱⁱⁱ⁾ 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. ADOPTION OF NEW ACCOUNTING STANDARDS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board ("IASB") or IFRS Interpretations Committee that are mandatory for fiscal periods beginning on or after January 1, 2025. The following amendments to accounting standards were adopted by the Company on January 1, 2025:

Amendments to IAS 21, Lack of Exchangeability

Effective January 1, 2025, the Company adopted the amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*, which address how an entity should evaluate whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is not available. These amendments did not have a material impact on these Consolidated Financial Statements.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Use of Estimates and Judgments

The preparation of these Consolidated 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 as at the date of these Consolidated 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the review affects both current and future periods.

Key areas of judgment and estimation or use of managerial assumptions are as follows:

Business combinations

The Company must assess whether an entity being purchased constitutes a business, which requires an assessment of inputs and processes in place at the acquiree. The fair value of assets acquired and liabilities assumed requires management to make significant estimates. Judgment is required to determine when the Company gains control of a business. This requires an assessment of the relevant activities that significantly affect

NEUPATH HEALTH INC.

Notes to the Consolidated Financial Statements For the years ended December 31, 2025 and 2024

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

its returns, including operating and capital expenditure decision-making, financing, key management personnel changes and when decisions in relation to those activities are under the control of the Company or require unanimous consent from the shareholders.

Leases

The Company uses its incremental borrowing rate (“IBR”) to measure lease liabilities where the interest rate implicit in the lease cannot readily be determined. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use (“ROU”) asset. The IBR requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs such as market interest rates and is required to make certain entity-specific estimates such as the stand-alone credit rating.

Stock-based payments and warrants

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock-based compensation and warrant reserves, which requires the use of several input variables. Measurement date estimates include share price, expected volatility (based on weighted average historical volatility adjusted for changes expected due to publicly available information of a comparable peer group), weighted average expected life of the instruments, expected dividends and the risk-free interest rate (based on government bonds). The inputs to the model are subject to estimate, and changes in these inputs can materially impact the estimated fair value of stock-based payments and warrants.

Deferred taxes

Significant judgment is required in determining the Company’s income tax provision. Interpretation of existing tax laws and regulations, and various internal and external factors may result in favourable or unfavourable effects on the Company’s future effective tax rate. These include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, results of tax audits by tax authorities, changes in estimates of prior years’ items and changes in overall levels of pretax earnings.

Impairment of non-financial assets

The Company makes a number of estimates when calculating recoverable amounts using discounted future cash flows or other valuation methods to test for impairment. These estimates include the future cash flows, terminal value growth rates and the discount rate. The Company estimates value-in-use for impairment tests by discounting estimated future cash flows to their present value. The Company estimates the discounted future cash flows for periods of up to four years and a terminal value. The future cash flows are based on the Company’s estimates and expected future operating results of the cash-generating unit (“CGU”) after considering economic conditions and a general outlook for the industry. Discount rates consider market rates of return, debt-to-equity ratios and certain risk premiums, among other things. The terminal value is the value attributed to the CGU’s operations beyond the projected time period of the cash flows using a perpetuity rate based on expected economic conditions and a general outlook for the industry.

Cash and Cash Equivalents

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 to known amounts of cash and are subject to insignificant risk of changes in fair value.

Accounts Receivable

Accounts receivable are amounts due for services rendered in the ordinary course of business. If collection is expected in 12 months or less, accounts receivable are classified as current assets. If not, accounts receivable are presented as non-current assets. Accounts receivable also include accrued receivables, which are amounts for services rendered and not yet invoiced or billed. Accounts receivable are initially recognized at fair value and, subsequently, are measured at amortized cost using the effective interest method, less lifetime expected credit losses (“ECLs”).

Property, Plant and Equipment

Property, plant and equipment (“PP&E”) is recorded at cost, net of government assistance, accumulated depreciation and/or accumulated impairment losses.

NEUPATH HEALTH INC.

Notes to the Consolidated Financial Statements For the years ended December 31, 2025 and 2024

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

The Company allocates the amount initially recognized in respect of an item of PP&E to its significant components and amortizes each such part separately. Residual values, method of depreciation and useful lives of the assets are reviewed annually or more frequently if required, and any changes in these estimates are adjusted prospectively.

Depreciation of PP&E is provided for over the estimated useful lives from the date the assets become available for use. The following estimates were effective for the year ended December 31, 2025:

Leasehold improvements	Shorter of asset life and term of lease	Straight-line
Building	25 years	Straight-line
Furniture and fixtures	5 years	Straight-line
Medical equipment	5 years	Straight-line
Computer equipment and software	3 years	Straight-line

Intangible Assets

Intangible assets acquired in a business combination are recognized separately from goodwill at their fair value at the date of acquisition, which is considered to be cost. Expenditures during the development phase for internally generated intangible assets, such as software, are capitalized in accordance with IAS 38, *Intangible Assets*. Separately acquired intangible assets are recorded at the purchase price, plus directly attributable acquisition costs.

Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and accumulated impairment losses. Amortization commences when the intangible asset is available for use. The estimated useful lives are as follows:

Software	7 years	Straight-line
Brand	4 - 7 years	Straight-line
Patient relationship	4 - 7 years	Straight-line

Goodwill and Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree.

When the Company acquires a business, it assesses the classification and designation of financial assets and liabilities assumed in accordance with the contractual terms, economic circumstances and conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognized at fair value as at the acquisition date. All contingent consideration (unless classified as equity or compensation) is subsequently remeasured to fair value at each reporting period-end, with the changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost, which is the excess of the aggregate consideration transferred, the amount recognized for non-controlling interests, any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in net loss.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment of Non-financial Assets

The Company reviews the carrying value of non-financial assets for potential impairment at each reporting date and when events or changes in circumstances indicate that the carrying amount may not be recoverable. CGUs to which

NEUPATH HEALTH INC.

Notes to the Consolidated Financial Statements For the years ended December 31, 2025 and 2024

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

goodwill has been allocated are tested for impairment at least annually. Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows or CGUs. The recoverable amount is the higher of an asset's fair value, less costs to sell and value-in-use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. Goodwill is allocated to the CGU that is expected to benefit from synergies of a related business combination and represents the lowest level within the Company at which management monitors goodwill.

For non-financial assets other than goodwill, a previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Leases

The Company assesses whether a contract is, or contains, a lease at inception of the contract. As a practical expedient, the Company has elected to not separate non-lease components from lease components and instead account for each separate lease component and its associated non-lease components as a single lease component.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets, and recognizes lease liabilities and ROU assets representing the obligation to make lease payments and the right to use the underlying assets.

Leased assets

The Company recognizes ROU assets at the commencement date of the lease. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. ROU assets are also subject to impairment.

Leased assets - the Company as lessor

As a lessor, the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Lease liabilities

The Company recognizes lease liabilities at the commencement date of the lease, measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its IBR at the lease commencement date as the interest rate implicit in the lease if it is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

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The Company applies the short-term and low-value lease recognition exemptions to its short-term (i.e. term less than 12 months) and low-value leases of office equipment. Lease payments on short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

Lease modifications are accounted for as a new lease with an effective date of the modification.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets or financial liabilities carried at FVTPL are expensed in profit or loss.

Measurement in subsequent periods depends on the classification of the financial instrument. The Company classifies its financial instruments depending on the purpose for which the instruments were acquired and their characteristics.

Financial Assets

Financial assets measured at amortized cost are debt financial instruments with contractual cash flows that meet the strictly principal and interest ("SPPI") test and are managed on a hold to collect basis. These financial assets are recognized initially at fair value plus or minus direct and incremental transaction costs, and are subsequently measured at amortized cost, using the effective interest method, net of an allowance for ECLs.

Financial Liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method. For liabilities measured at amortized cost using the effective interest method, gains and losses are recognized in finance expenses (income) in the Consolidated Statements of Net and Comprehensive Loss when the liabilities are derecognized.

The Company has classified its financial instruments as follows:

Financial Instrument	Classification	Measurement	Fair Value Hierarchy
Assets			
Cash and cash equivalents	Amortized cost	Amortized cost	N/A
Accounts receivable	Amortized cost	Amortized cost	N/A
Liabilities			
Accounts payable and accrued liabilities	Amortized cost	Amortized cost	N/A
Due to related parties	Amortized cost	Amortized cost	N/A
Long-term debt	Amortized cost	Amortized cost	N/A
Lease obligations	Amortized cost	Amortized cost	N/A
Other obligations	Amortized cost	Amortized cost	N/A

Impairment

The Company recognizes ECLs for accounts receivable based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in

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credit risk; rather, the Company recognizes a loss allowance based on lifetime ECLs at each reporting date from the date of the trade receivable. The Company has established a provision matrix that is based on its history of credit losses, adjusted for prospective factors specific to the economic environment in which it operates and for any financial guarantee related to the receivables.

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Accounts receivable are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

ECLs are calculated based on actual credit loss experience over the past two years and adjusted for forward-looking information. The Company calculates the ECL rates separately for low-risk and high-risk customers, and the customer portfolio is segmented based on common credit risk characteristics such as market position and history of arrears and default.

Revenue Recognition

The Company earns revenue from medical services to treat patients. The Company's contracts are associated with the rendering of patient services, research and staffing allocation services.

Rendering of patient services

The rendering of patient services is through the Ontario Health Insurance Plan ("OHIP") and the Alberta Health Care Insurance Plan ("AHCIP"), which are regulated by the provincial health authorities. The Company has registrations in these provinces, which provides assurance that the Company will be paid to provide medical services to patients holding provincial insurance cards. Revenue is recognized when medical services have been provided to the patient. The provincial health authority outlines a fixed-unit price per service provided, types of services and professional work paid to registered entities for the insured services.

Research contracts

The Company may enter into contracts for the provision of clinical research services to third parties. Such contracts have rates and a budget fixed for each visit based on the stage of the research, which are billed as the work progresses, and the revenue is recognized accordingly. The third-party firm pays the Company, which in turn has a separate contract with the physician who conducts the clinical trial.

The terms of the agreements may include provisions for a holdback. The entity estimates if the amount of holdback in an agreement is immaterial and if the receipt of payment is avoidable by the Company providing all the contractual requirements. Therefore, clinical research services payments are normally immediately recognized as revenue when the appointment is completed, which can range from one hour to ten hours.

Staffing allocation services contracts

As part of its revenue model, the Company has contracts with various correctional facilities to provide medical professionals for these institutions. The Company charges these institutions on a per-hour basis when the work is performed by physicians. Therefore, staffing allocation service contract revenues are recognized as revenue when the services are provided.

Loss Per Share

Loss per common share represents loss for the period attributable to common shareholders divided by the weighted average number of common shares outstanding during the year. Diluted loss per common share is calculated by dividing the applicable loss for the year by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the year. The calculation of diluted loss per share excludes the effects of various conversions and exercise of options, warrants and convertible instruments that would be anti-dilutive.

The number of fully diluted shares outstanding as at December 31, 2025 was 62,169, which includes stock options ("Options") (Note 14, *Stock-based Compensation*), restricted share units ("RSUs") (Note 14, *Stock-based*

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Compensation) and warrants (“Warrants”) and broker warrants (“Broker Warrants”) (Note 15, *Warrants*) [December 31, 2024 - 67,033 fully diluted shares outstanding].

Income Taxes

Income taxes on profit or loss include current and deferred taxes. Income taxes are recognized in profit or loss except to the extent that they relate to business combinations or items recognized directly in equity or in OCI. Current taxes are the expected income taxes payable or recoverable on the taxable income or loss for the period, using tax rates enacted or substantively enacted, at the reporting date and any adjustment to income taxes payable in respect of previous years.

Deferred income taxes are generally recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income taxes are measured at the tax rates that are expected to be applied to temporary differences when they are reversed, based on the tax laws that have been enacted or substantively enacted in the relevant jurisdiction by the reporting date.

Deferred income tax assets and liabilities are recognized where the carrying amount of an asset or a liability in the Consolidated Statements of Financial Position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill; and
- The initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting or taxable profit.

A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed as at each reporting date and are reduced to the extent it is no longer probable the related tax benefit will be realized. Within the scope of IAS 12, *Income Taxes*, the Company recognizes its investment tax credits as a reduction against current income tax expense.

Operating Segments

IFRS 8, *Operating Segments* requires operating segments to be determined based on internal reports that are regularly reviewed by the chief operating decision makers for the purpose of allocating resources to the segment and assessing its performance. For the year ended December 31, 2025, the Company continued to operate as one industry segment: medical services.

Future Changes in Accounting Policies

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments (the “Amendments”)*. The Amendments include:

- (i) A clarification that a financial liability is derecognised on the ‘settlement date’ and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- (ii) Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (“ESG”) and similar features should be assessed;
- (iii) Clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments; and
- (iv) The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (“OCI”).

These Amendments are effective for annual periods starting on or after January 1, 2026, with early adoption permitted for classification of financial assets and related disclosures only. The implementation of these Amendments is not expected to have a material impact on the Company’s consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* (“IFRS 18”), which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 aims to improve the comparability and transparency of communication in financial statements by introducing a number of new requirements:

- (i) Classify income and expenses in the statement of profit or loss into categories such as operating, investing, financing, income taxes and discontinued operations, as well as present defined subtotals;
- (ii) Provide note disclosure on management-defined performance measures that are used in communications outside the entity’s financial statements;
- (iii) Enhance the aggregation or disaggregation of information to ensure that items are classified and aggregated based on shared characteristics and material information is not obscured; and
- (iv) Implement narrow scope amendments that have been made to IAS 7, *Statement of Cash Flows*, IAS 34 *Interim Financial Reporting*, and other minor amendments to other standards. Some requirements previously included within IAS 1 have been moved to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, which has been renamed IAS 8, *Basis of Preparation of Financial Statements*.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and requires retrospective application. Early adoption is permitted, but will need to be disclosed. Management is evaluating the impact of IFRS 18, including the impact of the amendments to the other accounting standards on the consolidated financial statements.

5. 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*, as the acquired assets meet the definition of a business. The acquisition aligns with the Company’s growth strategy of expansion through the acquisition of existing medical facilities.

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

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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 ROU asset and related lease obligation associated with the clinic in accordance with IFRS 16, *Leases* (see Note 11, *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 for the year ended December 31, 2024.

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 CGU 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 were recognized as part of transaction and other costs for the year ended December 31, 2024. These costs were not included as part of the consideration transferred.

6. ACCOUNTS RECEIVABLE

	December 31, 2025	December 31, 2024
	\$	\$
Accounts receivable, net	8,668	7,430
HST receivable (Note 26)	-	238
	8,668	7,668

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7. OTHER ASSETS

	December 31, 2025	December 31, 2024
	\$	\$
Prepaid expenses	509	501
Clinical supplies	423	272
Investment in Advantage Sports Medicine	30	30
Other receivables	167	250
	1,129	1,053
Less: amounts due within one year	750	529
Long-term balance	379	524

8. PROPERTY, PLANT AND EQUIPMENT

PP&E consists of the following:

Cost	Leasehold	Furniture	Computer	Medical	Total
	Improvements	& Fixtures	Equipment & Software	Equipment	
	\$	\$	\$	\$	\$
Balance, December 31, 2023	4,679	606	990	867	7,142
Acquired in London Spine Centre acquisition (Note 5)	-	2	3	26	31
Additions	669	16	23	240	948
Disposals	-	(2)	(3)	(42)	(47)
Balance, December 31, 2024	5,348	622	1,013	1,091	8,074
Additions	291	17	318	92	718
Balance, December 31, 2025	5,639	639	1,331	1,183	8,792
Accumulated depreciation					
Balance, December 31, 2023	1,970	517	903	413	3,803
Depreciation expense	569	51	66	143	829
Disposals	-	-	-	(11)	(11)
Balance, December 31, 2024	2,539	568	969	545	4,621
Depreciation expense	533	17	95	172	817
Balance, December 31, 2025	3,072	585	1,064	717	5,438
Net book value as at December 31, 2024	2,809	54	44	546	3,453
Net book value as at December 31, 2025	2,567	54	267	466	3,354

ROU assets consist of the following:

Cost	ROU Asset -	ROU Asset -	ROU Asset -	Total
	Computer Equipment	Medical Equipment	Building	
	\$	\$	\$	\$
Balance, December 31, 2023	331	674	11,124	12,129
Acquired in London Spine Centre acquisition	-	-	155	155
Additions	38	-	240	278
Disposals	-	-	(130)	(130)
Balance, December 31, 2024	369	674	11,389	12,432
Additions	-	-	2,634	2,634
Balance, December 31, 2025	369	674	14,023	15,066

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Accumulated depreciation				
Balance, December 31, 2023	331	179	5,886	6,396
Depreciation expense	16	135	1,129	1,280
Balance, December 31, 2024	347	314	7,015	7,676
Depreciation expense	-	135	1,150	1,285
Balance, December 31, 2025	347	449	8,165	8,961
Net book value as at December 31, 2024	22	360	4,374	4,756
Net book value as at December 31, 2025	22	225	5,858	6,105

During the year ended December 31, 2025, the Company entered into new lease agreements for several of its existing medical facilities, resulting in ROU asset additions of \$2.6 million.

The Company acquired ROU assets with a fair value of \$0.2 million on the close of the London Spine Centre acquisition in the year ended December 31, 2024, and recognized a disposal of \$0.1 million at termination of the facility lease agreement (see Note 5, *Business Combinations*).

9. INTANGIBLE ASSETS

Intangible assets consist of the following:

Cost	Patient Relationship	Brand	Computer Software	Total
	\$	\$	\$	\$
Balance, December 31, 2023	2,461	2,432	-	4,893
Additions	110	-	-	110
Balance, December 31, 2024	2,571	2,432	-	5,003
Additions	-	-	145	145
Balance, December 31, 2025	2,571	2,432	145	5,148
Accumulated amortization				
Balance, December 31, 2023	2,033	2,153	-	4,186
Amortization expense	119	69	-	188
Balance, December 31, 2024	2,152	2,222	-	4,374
Amortization expense	120	69	-	189
Balance, December 31, 2025	2,272	2,291	-	4,563
Net book value as at December 31, 2024	419	210	-	629
Net book value as at December 31, 2025	299	141	145	585

10. GOODWILL

	December 31, 2025	December 31, 2024
	\$	\$
Goodwill	20,752	20,752

Goodwill is recognized on the acquisition date when total consideration exceeds the net identifiable assets acquired.

The Company performs an impairment test annually on December 31 and whenever there is an indication of impairment. For the purposes of impairment testing, goodwill is allocated to a single group representing all of the Company's medical clinics' CGUs: medical clinics.

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Medical clinics

The recoverable amount of the medical clinics' CGU was determined based on a value-in-use calculation using a four-year cash flow projection, plus terminal period based on approved financial budgets. After-tax weighted average discount rate of 15% was applied, along with a terminal-growth rate of 2.5%. It was concluded that the carrying value did not exceed the value-in-use. As a result of this analysis, management did not identify an impairment for this CGU as at December 31, 2025.

Sensitivity analysis

The Company's goodwill impairment test on the medical clinics' CGU has limited sensitivity to changes in assumptions that would materially impact the outcome. An increase of 2% to the after-tax weighted average discount rate used by the Company for its goodwill impairment test, assuming all other variables remain constant, would not have resulted in a material change to the value of the Company's medical clinics' CGU, and therefore, would not result in an impairment loss.

11. LEASE OBLIGATIONS

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

	2025	2024
	\$	\$
Balance, as at January 1	5,592	6,481
Additions during the year	2,612	422
Payments during the year	(1,677)	(1,657)
Interest expense during the year	435	476
Lease terminations during the year	-	(130)
	6,962	5,592
Less: amounts due within one year	1,113	1,101
Long-term balance, December 31	5,849	4,491

During the year ended December 31, 2025, the Company entered into new lease agreements for several of its existing medical facilities, resulting in total lease obligation additions of \$2.6 million. During the year ended December 31, 2024, the Company recognized \$0.4 million of lease obligation additions and derecognition of lease obligation of \$0.1 million related to a terminated lease agreement for one of its medical facilities. The Company recognizes corresponding ROU assets for any lease obligation additions.

For the year ended December 31, 2025, lease payments totalled \$1.7 million [\$1.7 million for the year ended December 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 years ended December 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.

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

	\$
Less than 1 year	1,530
1 to 2 years	1,500
2 to 3 years	1,334
3 to 4 years	1,249
4 to 5 years	1,034
Beyond 5 years	1,854
	8,501

See Note 21, *Commitments* for additional information on estimated additional rent payment obligations related to the Company's leases on its medical and office facilities.

12. LONG-TERM DEBT

	December 31, 2025	December 31, 2024
	\$	\$
National Bank of Canada	6,175	-
Royal Bank of Canada	-	764
Debenture Offering	-	1,319
	6,175	2,083
Less: amounts due within one year	650	2,083
Long-term balance	5,525	-

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 December 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. There were no amounts drawn on the Acquisition Line and the effective interest rate was NBC Prime+1.00% as at December 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

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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 5.45% (NBC Prime+1.00%) as at December 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. The Company was in compliance with the covenant requirements under the Credit Facilities as at December 31, 2025.

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 "Debenture Units") for gross proceeds of \$1.5 million (the "Debenture Offering"). As part of the Debenture Offering, the Company issued 1,453 Debenture Units, with each Debenture 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 exercisable for one common share of the Company at an exercise price equal to \$0.15 per common share until May 2, 2025.

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 was included in transaction and other costs during the year ended December 31, 2025.

Debentures consist of the following:

	December 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	-	-

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Cash interest of \$46 was paid on the Debentures during the year ended December 31, 2025 [December 31, 2024 - \$0.1 million]. Accretion of the Debenture Offering was \$0.1 million during the year ended December 31, 2025 [December 31, 2024 - \$0.3 million].

RBC Credit Facility

The Royal Bank of Canada Credit Facility (“RBC Credit Facility”) provided the Company 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. 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. 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 and terminated the RBC Revolving Facility and RBC Lease Facility.

13. 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 14)	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 15)	781	163
Shares issued through Options exercised (Note 14)	182	80
Shares repurchased and cancelled	(1,043)	(732)
Balance, December 31, 2025	56,307	43,560

On December 4, 2025, the Company announced the approval by the Exchange for the renewal of its normal course issuer bid (“NCIB”) to purchase up to a maximum of 2,527,224 common shares for cancellation starting December 4, 2025 and ending December 3, 2026 or such earlier date as the Company completes its purchases pursuant to the NCIB or provides notice of termination. The previous NCIB ended on November 26, 2025. 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 or amend the NCIB and ASPP provided 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 balance of the Company’s maximum repurchase commitment with the broker for the remainder of the NCIB program with a ceiling price of \$0.45 per common share amounted to \$0.4 million as at December 31, 2025.

During the year ended December 31, 2025, 942,300 common shares with a carrying value of \$0.7 million were repurchased for cancellation under the Company’s NCIB for cash consideration of \$0.2 million, at a weighted average price of \$0.24. The excess of the carrying value over the purchase price was recorded to contributed

NEUPATH HEALTH INC.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.*

surplus. An additional 100,000 common shares repurchased during the year ended December 31, 2024 were cancelled during the year ended December 31, 2025.

During the year ended December 31, 2025, the Company issued 780,694 common shares related to the conversion of Broker Warrants to common shares (see Note 15, *Warrants*) and 181,875 common shares related to the vesting of RSUs. During the year ended December 31, 2024, the Company issued 123,783 common shares related to the vesting of RSUs (see Note 14, *Stock-based Compensation*).

14. 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

On June 12, 2025, the Company granted 150,000 Options to non-executive directors of the Company at an exercise price of \$0.26 per share, with an expiry date of June 12, 2032. The Options are subject to time-based vesting and will fully vest on June 12, 2026.

On May 21, 2025, the Company granted 375,000 Options to an officer of the Company at an exercise price of \$0.24 per share, with an expiry date of May 21, 2032. The Options are subject to time-based vesting and will fully vest on May 21, 2029.

On December 9, 2024, the Company granted 345,000 Options under the Stock Option Plan to physician partners and 330,000 Options to certain employees of the Company at an exercise price of \$0.19 per share, with an expiry date of December 9, 2031. The Options are subject to time-based vesting and fully vest on December 9, 2028. The Company also granted 150,000 Options to non-executive directors of the Company at an exercise price of \$0.19 per share, with an expiry date of December 9, 2031. The Options are subject to time-based vesting and fully vest on December 9, 2025.

On September 24, 2024, the Company granted 120,000 Options under the Stock Option Plan to employees of the Company at an exercise price of \$0.18 per share, with an expiry date of September 24, 2031. The Options are subject to time-based vesting and fully vest on September 24, 2028.

The terms of the Options granted on May 21, 2025 and June 12, 2025 were in accordance with the Company’s Amended and Restated Stock Option Plan approved by shareholders at the Annual General and Special Meeting of Shareholders held on June 11, 2025.

As at December 31, 2025, the maximum number of common shares available for issuance under the Stock Option Plan was 537,630 [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, 2023	4,496	0.14 – 1.00	0.31
Granted	945	0.18 – 0.19	0.19
Expired	(450)	0.16 – 1.00	0.95
Forfeited	(177)	0.16 – 0.87	0.16
Balance, December 31, 2024	4,814	0.14 – 1.00	0.24
Granted	525	0.24 – 0.26	0.25
Expired	(206)	0.16 – 1.00	0.84
Forfeited	(40)	0.14 – 0.19	0.16
Balance, December 31, 2025	5,093	0.14 – 0.87	0.21

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The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Options model inputs for Option grants outstanding as at December 31, 2025 were as follows:

Options 000s	Grant Date	Share Price \$	Exercise Price \$	Risk-free Interest Rate %	Expected Life Years	Volatility Factor %	Fair Value per Option \$
124	September 1, 2020	0.87	0.87	1.52	7	40.51	0.38
167	May 31, 2022	0.45	0.45	2.72	7	50.81	0.21
100	May 31, 2022	0.45	0.45	2.72	5	50.81	0.21
465	August 24, 2022	0.30	0.30	3.09	7	48.80	0.16
938	November 22, 2022	0.16	0.16	3.03	7	53.03	0.09
296	June 15, 2023	0.16	0.16	1.72	7	58.91	0.09
1,543	May 30, 2023	0.14	0.14	1.70	7	58.60	0.08
120	September 24, 2024	0.18	0.18	2.12	7	65.14	0.12
815	December 9, 2024	0.19	0.19	2.16	7	65.65	0.12
375	May 21, 2025	0.24	0.24	2.20	7	67.29	0.16
150	June 12, 2025	0.26	0.26	2.22	7	67.62	0.17

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

Exercise Price Range \$	Options 000s	Outstanding	Weighted Average Exercise Price \$	Exercisable	
		Remaining Contractual Life Years		Vested Options 000s	Weighted Average Exercise Price \$
0.87	124	1.7	0.87	124	0.87
0.45	267	1.4 – 3.4	0.45	242	0.45
0.30	465	3.6	0.30	465	0.30
0.26	150	6.5	0.26	-	0.26
0.24	375	6.4	0.24	-	0.24
0.19	815	5.9	0.19	316	0.19
0.18	120	5.7	0.18	30	0.18
0.16	1,234	3.9 – 4.5	0.16	1,018	0.16
0.14	1,543	4.4	0.14	790	0.14

Restricted Share Unit Plan

On June 12, 2025, the Company granted 60,000 RSUs to non-executive directors of the Company. The RSUs are subject to time-based vesting in accordance with the policies of the Exchange. RSUs granted will fully vest on June 12, 2026. The terms of the RSUs granted are in accordance with the RSU Plan.

On May 21, 2025, the Company granted 375,000 RSUs to an officer of the Company. The RSUs are subject to time-based vesting such that 1/4 of the RSUs vest annually starting on May 21, 2026.

On December 9, 2024, the Company granted 75,000 RSUs to an employee and 350,000 RSUs to officers of the Company. These RSUs were subject to time-based vesting such that 1/4 of the RSUs vest annually starting on December 9, 2025. The Company also granted 60,000 RSUs to non-executive directors of the Company, vesting over one year, which were subject to time-based vesting in accordance with the policies of the Exchange. On December 9, 2025, 166,250 RSUs with a fair value of \$73 vested and were converted to common shares.

On November 22, 2025, 15,625 RSUs with a fair value of \$7 vested and were converted to common shares.

The terms of the RSUs are in accordance with the Company's RSU Plan, which was approved by shareholders at the Annual General and Special Meeting of Shareholders held on June 11, 2025. The Company amended its RSU Plan to increase the maximum number of common shares issuable under this plan from 3,000,000 to 5,000,000.

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Notes to the Consolidated Financial Statements
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As at December 31, 2025, the maximum number of common shares available for issuance under the RSU Plan was 2,938,693.

The following is a schedule of RSUs outstanding:

	RSUs 000s	Range of Exercise Price \$	Weighted Average Exercise Price \$
Balance, December 31, 2023	155	0.16 – 0.87	0.20
RSUs granted	485	0.19	0.19
Vested and converted to common shares	(124)	0.16 – 0.87	0.21
Balance, December 31, 2024	516	0.16 – 0.87	0.19
RSUs granted	435	0.24 – 0.26	0.24
Vested and converted to common shares	(182)	0.16 – 0.19	0.19
Balance, December 31, 2025	769	0.16 – 0.26	0.22

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

RSUs 000s	Grant Date	Share Price \$	Vesting Period Years	Fair Value per RSU \$
15	November 22, 2022	0.16	4	0.16
319	December 9, 2024	0.19	4	0.19
375	May 21, 2025	0.24	4	0.24
60	June 12, 2025	0.26	1	0.26

Employee Share Purchase Plan

The maximum number of common shares that can be issued under the ESPP is 500,000. As at December 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 year ended December 31, 2025 was \$0.2 million, all of which has been included in G&A expenses [\$0.1 million for the year ended December 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.

15. WARRANTS

As at December 31, 2025, the Company had no Warrants outstanding.

On September 29, 2025, the Company repurchased and cancelled 4,480,000 outstanding Warrants held by related parties. These Warrants were classified as equity instruments and had a carrying amount of \$0.8 million. The Company paid total cash consideration of \$0.2 million and the difference of \$0.6 million was recognized as an increase to contributed surplus (see Note 23, *Related Party Transactions*).

On May 2, 2023, the Company issued 836,111 Broker Warrants in connection with the Debenture Offering (see Note 12, *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. During the year ended December 31, 2025, 780,694 Broker Warrants with a fair value of \$46 and exercise price of \$0.15 were exercised for common shares. The Company received \$0.1 million in cash proceeds upon exercise. The remaining 55,417 Broker Warrants with a nominal fair value expired without being exercised.

The Company did not issue any Warrants during the years ended December 31, 2025 and 2024.

NEUPATH HEALTH INC.

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

16. NET LOSS PER COMMON SHARE

Net loss per common share is computed as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
<i>(Canadian dollars in thousands, except per share figures or otherwise noted)</i>	\$	\$
Net loss	(413)	(485)
Average number of shares outstanding during the year	56,362	56,349
Basic loss per share	(0.01)	(0.01)
Net loss	(413)	(485)
Dilutive effect of Options, RSUs and Warrants	-	-
Net loss, assuming dilution	(413)	(485)
Average number of shares outstanding during the year	56,362	56,349
Dilutive effect of:		
Vested Options	1,687	338
Unvested RSUs	769	516
Warrants	-	239
Weighted average common shares outstanding, assuming dilution	58,818	57,442
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:

	December 31, 2025		December 31, 2024	
	Weighted Average Exercise Price	Units Outstanding	Weighted Average Exercise Price	Units Outstanding
	\$	000s	\$	000s
Common shares issued and outstanding	-	56,362	-	56,349
Options outstanding (Note 14)	0.21	5,093	0.24	4,814
RSUs outstanding (Note 14)	0.22	769	0.19	516
Warrants (Note 15)	-	-	0.23	5,316
		62,224		66,995

17. MANAGEMENT OF CAPITAL

The Company's capital management objectives are to safeguard its ability to continue as a going concern and to preserve its capital through adapting its strategic efforts and working to optimize revenues from its pain management business. The Company also attempts to raise additional funds through the issuance of debt or equity.

In the management of capital, the Company's definition of capital includes shareholders' equity and long-term debt, net of cash, which as at December 31, 2025 totalled \$22,654 [December 31, 2024 - \$20,592].

There were no changes to the Company's capital management policy during the year ended December 31, 2025.

NEUPATH HEALTH INC.
Notes to the Consolidated Financial Statements
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18. EXPENSES BY NATURE

The Consolidated Statements of Net and Comprehensive Loss include the following expenses by nature:

(a) Employee costs:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Salaries, bonuses and benefits ⁽ⁱ⁾	12,485	10,391
Share-based payments	226	102
Termination benefits	-	147
Total employee costs	12,711	10,640
Included in:		
Cost of medical services	5,190	5,070
General and administrative expenses	7,521	5,423
Restructuring	-	147
Total employee costs	12,711	10,640

⁽ⁱ⁾ Included in 2025 are one-time executive long-term performance and retention bonus amounts totaling \$1.4 million, which were approved by the Board in 2023 and were payable to the CEO and CFO upon the achievement of certain performance metrics in 2025.

(b) Depreciation and amortization:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Amortization of intangible assets	189	188
Depreciation of right-of-use assets	1,285	1,280
Depreciation of property, plant and equipment	817	829
Total depreciation and amortization	2,291	2,297

19. NET CHANGE IN NON-CASH WORKING CAPITAL

Net change in non-cash working capital consists of:

	December 31, 2025	December 31, 2024
	\$	\$
Accounts receivable	(1,000)	(794)
Other assets	(182)	57
Accounts payable and accrued liabilities	2,422	907
Income tax liabilities	60	(210)
Net change in non-cash working capital	1,300	(40)

NEUPATH HEALTH INC.**Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024***Unless noted otherwise, all amounts shown are in thousands, except share and per share amounts.***20. INCOME TAXES****Income Tax Expense (Recovery)**

Income tax expense (recovery) attributable to loss before income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.5% [December 31, 2024 - 26.5%] to pretax loss, as a result of the following:

	December 31, 2025		December 31, 2024	
	\$	%	\$	%
Net loss before income taxes	(57)		(273)	
Income tax at statutory rate of 26.5%	(15)	26.5	(72)	26.5
Other	7	(9.2)	10	(3.7)
Permanent differences	76	(106.8)	42	(15.5)
Change in unrecognized deferred income tax assets	288	(378.9)	232	(84.9)
Income tax expense	356	(468.4)	212	(77.6)
Current income tax expense	314		272	
Deferred income tax expense (recovery)	42		(60)	

Deferred Income Tax Assets and Liabilities

The Company's deferred income tax asset is a result of the origination and reversal of temporary differences. Net deferred income tax asset consists of the following:

	December 31, 2025	December 31, 2024
	\$	\$
Deferred income tax asset:		
Non-capital loss carryforwards	192	257
Deferred income tax liability:		
Long-term debt	-	(35)
Excess carrying value of property, plant and equipment and intangible assets over tax basis	(167)	(154)
Net deferred income tax asset	25	68

A deferred income tax asset has not been recognized for certain temporary differences that may be available to reduce income subject to tax in a taxation period subsequent to the year covered by these Consolidated Financial Statements. The temporary differences that have not been recognized in the Consolidated Statements of Financial Position or Consolidated Statements of Net and Comprehensive Loss are identified below:

	December 31, 2025	December 31, 2024
	\$	\$
Non-capital loss carryforwards	38,779	37,572
Net lease obligations	847	823
Property, plant and equipment	1,039	1,094
Share issuance costs	490	355

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The Company has non-capital losses of \$39.6 million for Canadian federal and Ontario provincial purposes that are available to offset future taxable income. These non-capital losses expire as follows:

Year of Expiry	Amount \$
2026	198
2027	112
2028	125
2029	236
2030	225
2031	128
2032	2,156
2033	5,464
2034	5,951
2035+	25,019
	39,614

21. COMMITMENTS

The Company leases real property for its medical facilities 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
		\$	\$	\$	\$	\$
<i>Medical Facility</i>						
Mississauga	January 31, 2026	4	4	-	-	-
Ottawa	July 31, 2028	331	128	203	-	-
Windsor	March 31, 2030	136	32	64	40	-
London	June 30, 2030	508	113	226	169	-
Scarborough	July 31, 2030	229	50	100	79	-
Oshawa	November 30, 2030	362	73	148	141	-
Brampton	July 31, 2031	363	65	130	130	38
Red Deer	July 31, 2032	336	51	102	102	81
Edmonton	December 31, 2033	3,233	404	808	808	1,213
Mississauga	February 28, 2034	574	71	136	142	225
		6,076	991	1,917	1,611	1,557

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

22. 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:

	December 31, 2025	December 31, 2024
	\$	\$
Financial assets at amortized cost		
Cash and cash equivalents	4,472	2,923
Accounts receivable	8,668	7,668
Other assets	197	280
Total financial assets	13,337	10,871
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	10,868	8,446
Lease obligations	6,962	5,592
Long-term debt	6,175	2,083
Due to related parties	-	3,674
Total financial liabilities	24,005	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 Consolidated 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 years ended December 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.

NEUPATH HEALTH INC.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***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 December 31, 2025, the Company's financial liabilities had contractual maturities as summarized below:

	Total \$	Current	Non-current		
		Within 12 Months \$	1 to 2 Years \$	3 to 5 Years \$	> 5 Years \$
Accounts payable and accrued liabilities	10,868	10,868	-	-	-
Long-term debt	6,175	650	1,300	1,300	2,925
Lease obligations	6,962	1,113	2,228	1,939	1,682
	24,005	12,631	3,528	3,239	4,607

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.

23. RELATED PARTY TRANSACTIONS

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

Loans from Related Parties

The following related party balances were outstanding as at:

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

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

The amount due to Bloom Burton & Co. Inc. (“BBCI”), a shareholder of the Company, was non-interest bearing, unsecured and due on demand. The amount due to Bloom Burton Development Corp. (“BBDC”), a shareholder of the Company, was 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. (“BBSI”) acted as a broker for the Debenture Offering (see Note 12, *Long-term Debt*). The fees paid to 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 15, *Warrants*). In April 2025, BBSI exercised its Broker Warrants for common shares of the Company for cash proceeds of \$12.

On September 29, 2025, the Company repurchased and cancelled 1,600,000 Warrants previously issued to Bloom Burton Healthcare Structured Lending Fund II LLP (“BBHSLF”) and 2,880,000 Warrants previously issued to Bloom Burton Healthcare Lending Trust (“BBHLT”). These Warrants entitled the Warrant holders to purchase common shares of the Company at a fixed price and were classified as equity instruments. At the time of repurchase, the Warrants had a carrying value of \$0.8 million and the Company paid total cash consideration of \$0.2 million to BBHSLF and BBHLT. The difference of \$0.6 million was recognized as an increase to contributed surplus (see Note 15, *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 12, *Long-term Debt*).

24. KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors. Key management includes three executive officers and non-employee directors [December 31, 2024 - two executive officers and non-employee directors]. Compensation for the Company’s key management personnel was as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Salaries, bonuses and benefits ⁽ⁱ⁾	2,972	1,232
Share-based payments	157	74
Total key management compensation	3,129	1,306
Included in:		
General and administrative expenses	3,129	1,306
Total key management compensation	3,129	1,306

⁽ⁱ⁾ Included in 2025 are one-time executive long-term performance and retention bonus amounts totaling \$1.4 million, which were approved by the Board in 2023 and were payable to the CEO and CFO upon the achievement of certain performance metrics in 2025.

25. DISAGGREGATED REVENUES

The Company's revenues are disaggregated by major category:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Clinic revenue	81,763	67,295
Non-clinic revenue	5,430	5,511
Total revenue	87,193	72,806

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 88% of the Company's total revenue for the year ended December 31, 2025 [two major customers represented 86% of the Company's total revenue for the year ended December 31, 2024].

26. 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 Consolidated 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.