# Management's Discussion and Analysis

May 13, 2026 / This Management's Discussion and Analysis of the Financial Position and Results of Operations ("MD&A") is the responsibility of management and has been reviewed and approved by the Board of Directors. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators.

Throughout this document, NeuPath Health Inc. is referred to as "NeuPath", "we", "our" or "the Company". This MD&A provides information management believes is relevant to an assessment and understanding of the consolidated results of operations, cash flows and financial condition of the Company. The following information should be read in conjunction with the Condensed Consolidated Interim Financial Statements and the notes thereto for the three months ended March 31, 2026, the annual Consolidated Financial Statements and the notes thereto and the annual MD&A for the year ended December 31, 2025. The Condensed Consolidated Interim Financial Statements reported herein have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. NeuPath's accounting policies are in accordance with IFRS Accounting Standards ("IFRS").

Unless otherwise noted, all dollar amounts in this MD&A are expressed in thousands of Canadian dollars except per share, unit and warrant figures.

The Company uses non-IFRS financial measures in this MD&A. For a detailed reconciliation of the non-IFRS measures used in this MD&A, please see the discussion under "*Non-IFRS Financial Measures*".

## Materiality of Disclosures

This MD&A includes information we believe is material to investors. We consider something to be material if it results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares, or if it is likely that a reasonable investor would consider the information important in making an investment decision.

## Forward-looking Statements

Certain statements in this MD&A are forward-looking statements which may include, but are not limited to, statements with respect to the future financial or operating performance of NeuPath and its projects, the market conditions, business strategy, corporate plans, objectives and goals, and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of NeuPath to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "Risk Factors" in this MD&A and in the section entitled "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2025 dated March 25, 2026 ("AIF"). Although NeuPath has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and, other than as required by law, NeuPath disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

This MD&A also includes market data and forecasts with respect to the chronic pain, musculoskeletal/back pain, sports medicine and other pain medical services. Although the Company is responsible for all of the disclosure contained in this MD&A, in some cases, the Company relies on and refers to market data and certain industry forecasts that were obtained from third-party surveys, market research, consultant surveys, publicly available

information and industry publications and surveys that it believes to be reliable. Unless otherwise indicated, all market and industry data and other statistical information and forecasts contained in this MD&A are based on independent industry publications, reports by market research firms or other published independent sources and other externally obtained data that the Company believes to be reliable. Any such market data, information or forecast may prove to be inaccurate because of the method by which it was obtained or because it cannot always be verified with complete certainty given the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties, including those discussed in the AIF under the heading “Risk Factors”. As a result, although the Company believes that these sources are reliable, it has not independently verified the information.

## Non-IFRS Financial Measures

This MD&A makes reference to certain financial measures, including non-IFRS financial measures that are historical and non-GAAP or non-GAAP ratios. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing business performance and trends. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and, are therefore, unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. The Company uses the following non-GAAP financial measures: EBITDA, Adjusted EBITDA, gross margin and income or loss from operations, and the following non-GAAP ratio: gross margin %, to provide supplemental measures of operating performance and thus highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also uses non-IFRS financial measures in order to prepare annual operating budgets and to determine management compensation. Below is an explanation of the composition of each such measure, as applicable, including a quantitative reconciliation of EBITDA and Adjusted EBITDA to its most directly comparable financial measure disclosed in our financial statements to which the measure relates. See *Selected Financial Information* and *Results of Operations* for a quantitative reconciliation of gross margin and income or loss from operations to its most directly comparable financial measure disclosed in the Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2026 to which the measure relates.

**EBITDA and Adjusted EBITDA**

EBITDA refers to net income (loss) determined in accordance with IFRS, before depreciation and amortization, net interest expense (income) and income tax expense (recovery). The Company defines Adjusted EBITDA, as EBITDA, excluding stock-based compensation expense, executive long-term performance and retention bonus, restructuring costs, gain on derecognition of other obligations, fair value adjustments, transaction and other costs, impairment charges, gain on sale of building, finance income and loss or gain on sale of property, plant and equipment. Management believes EBITDA and Adjusted EBITDA are useful supplemental non-GAAP measures to determine the Company’s ability to generate cash available for operations, working capital, capital expenditures, debt repayments, interest expense and income taxes.

The following table provides a reconciliation of net and comprehensive income (loss) to EBITDA and Adjusted EBITDA:

| | **Three months ended March 31, 2026** | Three months ended March 31, 2025 |
|---|---|---|
| | **$** | $ |
| **Net and comprehensive income (loss)** | **379** | (327) |
| **Add back:** | | |
| Depreciation and amortization | **543** | 597 |
| Interest cost | **187** | 296 |
| Income tax expense | **89** | 133 |
| **EBITDA** | **1,198** | 699 |
| **Add back:** | | |
| Stock-based compensation | **50** | 43 |
| Transaction and other costs | **207** | 353 |
| Executive long-term performance and retention bonus | **-** | 175 |
| **Adjusted EBITDA** | **1,455** | 1,270 |
| **Attributed to:** | | |
| Shareholders of NeuPath Health Inc. | **1,347** | 1,133 |
| Non-controlling interest | **108** | 137 |
| | **1,455** | 1,270 |

**Gross Margin and Gross Margin %**
Management believes gross margin and gross margin % are important supplemental non-GAAP measures for evaluating operating performance and to allow for operating performance comparability from period-to-period. Gross margin is calculated as total revenue minus cost of medical services ("COMS"). Gross margin % is calculated as gross margin divided by total revenue.

**Income (Loss) From Operations**
Management believes income (loss) from operations is an important supplemental non-GAAP measure for evaluating operating performance and to allow for operating performance comparability from period-to-period. Income (loss) from operations is calculated as total revenue, minus COMS, general and administrative ("G&A") expenses, occupancy costs, depreciation and amortization and restructuring costs.

## Overview

NeuPath 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. 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.

With operations across Ontario and Alberta, the Company addresses a significant and growing need, as an estimated 1 in 5 adults in Canada[(1)] live with chronic pain. 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: Physiatrists, 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.

(1) Best Brains Exchange Report: Treatment of chronic pain and complex concurrent mental health and substance use conditions: Retrieved from https://www.canada.ca/en/health-canada/services/publications/healthy-living/best-brains-exchange-report-2023.html.

In addition, NeuPath provides independent medical evaluations ("IMEs") to employers, law firms and disability insurers through a national network of healthcare providers. IMEs are objective third-party evaluations conducted by impartial healthcare professionals to assess an individual's diagnosis, prognosis, and treatment needs.

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 generates revenue by providing both insured and uninsured services to patients. Insured services include treatments or procedures covered by provincial health plans and third-party health insurance plans. In most cases, the insurer is billed directly by NeuPath. Uninsured services include independent medical assessments and treatments, and procedures that are not covered by provincial health plans or third-party health insurance plans and are billed directly to patients.

NeuPath has 10 medical facilities across Ontario and 2 medical facilities in Alberta staffed with more than 148 healthcare providers. In addition, the Company has a minority equity ownership in two physiotherapy and sport medicine clinics in Alberta.

*Chronic Pain*
Chronic pain impacts approximately 1 in 5 adults in Canada[(2)]. Chronic pain impacts people's ability to attend work, school and participate in family and community life. Despite chronic pain's prevalence and impact, it has only recently started to attract increased attention. In May 2019, the World Health Organization, for the first time, added chronic pain to its International Classification of Diseases. The International Classification of Diseases is used worldwide as a diagnostic tool to classify causes of injury or death and the addition of chronic pain will allow for better tracking of the impact and prevalence of chronic pain. In March 2019, Health Canada formed the Canadian Pain Task Force ("Task Force") to provide advice regarding evidence and best practices for the prevention and management of chronic pain. The Task Force concluded its mandate at the end of 2021 and during the three-year period presented their findings to Health Canada. Subsequently, Health Canada established a dedicated team to pursue engagement with pain stakeholders and coordinate the federal response to the Task Force recommendations[(3)].

## Significant Transactions

**Normal Course Issuer Bid**
On December 4, 2025, the Company announced the approval by the TSX Venture Exchange (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. As of March 31, 2026, the Company repurchased and cancelled 126,000 common shares at a weighted average price of $0.45. Under the previous NCIB, which commenced on November 27, 2024 and ended on November 26, 2025, the Company repurchased and cancelled 1,052,300 common shares at a weighted average price of approximately $0.24 per share. Since inception of the NCIB in 2024, the Company has repurchased and cancelled 1,198,300 common shares under the NCIB at a weighted average price of $0.26 per share as at March 31, 2026.

**National Bank Debt Financing**
On March 26, 2025, the Company entered into a new credit agreement (the "Credit Agreement") with the National Bank of Canada ("NBC") providing an aggregate of up to $13.5 million in loans, comprised of a (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 together with the Revolving Facility and the Acquisition Line, the "Credit Facilities"). The Company utilized proceeds from the Term Loan to repay the existing credit facilities, Debentures and related party loans. The Credit Facilities provide NeuPath with additional capital to execute on its growth plan, while also helping the Company refinance its existing debt. The Credit Agreement replaced the Company's existing credit facilities.

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(2) Best Brains Exchange Report: Treatment of chronic pain and complex concurrent mental health and substance use conditions: Retrieved from https://www.canada.ca/en/health-canada/services/publications/healthy-living/best-brains-exchange-report-2023.html.

(3) Government of Canada. Retrieved from: https://www.canada.ca/en/health-canada/corporate/about-health-canada/public-engagement/external-advisory-bodies/canadian-pain-task-force.html.

**Arthrosamid® Available at NeuPath Medical Facilities**
On March 6, 2025, the Company announced it had performed the first-ever injection of Arthrosamid in North America at its Mississauga, Ontario medical facility. Arthrosamid (2.5% iPAAG) is a unique non-biodegradable hydrogel injection developed by Contura International A/S, a biotechnology company based in Denmark. Unlike traditional osteoarthritis injections, Arthrosamid integrates into the synovial tissue of the knee, helping to cushion the joint and reduce pain with a single dose. It has been shown to provide up to four years of pain relief for knee osteoarthritis sufferers[4]. Arthrosamid is currently available at a majority of NeuPath's medical facilities in Ontario and Alberta. As of March 31, 2026, the Company had treated over 250 joints (50 joints for the three months ended March 31, 2026).

**Canada Revenue Agency Resolution**
On February 21, 2025, the Company received updated Notices of Reassessment from the Canadian Revenue Agency ("CRA") in response to a Notice of Objection the Company filed with the CRA in August 2023. The matter pertained to the CRA HST audit decision with claims amounting to approximately $0.2 million for the 2015 and 2016 filing periods and the Notices of Reassessment confirmed the objection was allowed. During March 2025, the Company received a total refund amount of approximately $0.2 million, including interest.

**Private Placement Debenture Offering**
On May 2, 2023, the Company announced the closing of its brokered private placement debenture offering of 10% subordinated and postponed unsecured non-convertible debenture units (the "Debenture Units") of the Company for gross proceeds of $1.5 million (the "Debenture Offering").

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 repaid all outstanding Debentures using partial proceeds from the NBC Credit Facilities, including an early repayment penalty and all accrued and unpaid interest, to the TSX Trust Company to hold in trust until paid to Debenture holders on April 25, 2025. Upon repayment of the Debentures on the redemption date, all Debentures redeemed were cancelled.

## Growth Strategy

NeuPath's growth strategy is focused on increasing the amount of available physician hours to treat patients, building new locations in new markets and expanding service offerings to patients. Over the past few years, the majority of NeuPath's growth has been organic. In the future, the Company plans on a balanced approach to growth that will include the following growth drivers:

*Organic Growth* – The Company is focused on growing revenues through treating more patients and offering new services. This is achieved by focusing on the following areas:

- Growing the amount of physician hours available to treat patients:
  - *Recruiting new physicians* – NeuPath works with several recruitment firms, as well as referrals from its existing physicians to find new physicians and other medical professionals to add to the team from within Canada, the United States and overseas. The Company has the physical capacity to add new physicians at most of its existing medical facilities in order to increase the Company's ability to treat more patients.
  - *Utilizing technology* – NeuPath is utilizing technology, such as artificial intelligence ("AI") medical scribes, to save our physicians time by reducing the work involved in clinical documentation and administrative tasks. This frees up valuable physician hours to have more meaningful interactions with patients and to serve more patients.
  - *Improving medical facility efficiencies* – NeuPath is focused on physician schedule utilization, best practices and treatment room scheduling to create a more efficient patient flow at our medical facilities. This will increase the number of patients our physicians can treat. We continually look at new technology and best in class medical treatment practices to help streamline processes and improve efficiencies.

[4] Bliddal, H., et al. (2024) A Prospective Study of Polyacrylamide Hydrogel Injection for Knee Osteoarthritis: Results From 4 Years After Treatment. Presented at EORS 2024, Aalborg and Orthopaedic Proceedings of the Bone & Joint Journal.

- Building new locations in new markets
  - NeuPath intends to establish new medical facilities in underserved markets where we can improve access to care for patients.

- Expanding our services offerings:
  - The Company added Arthrosamid as a treatment option in 2025 and is currently available at the majority of our medical facilities. NeuPath will continue to look for new services to expand our offerings to meet the needs of our patients.

*Inorganic Growth* – NeuPath intends to acquire new locations across Canada focused on expanding into new provinces and new markets in provinces where we are established.

- Acquiring existing medical facilities – NeuPath intends to acquire established clinics in an effort to enter into new markets; add new specialists to the medical professional roster; and/or add new service offerings for patients. NeuPath's value add when acquiring new medical facilities is turn-key administrative support functions in order for medical professionals to focus on patient care while NeuPath manages administrative functions, such as technology, billing, patient scheduling, finance, medical supply management, human resources, etc.

- Expanding into adjacent medical services – NeuPath evaluates opportunities in adjacent markets that could complement our service offerings. An example is diagnostic imaging as most of our patients need imaging done as part of the new patient intake process. The Company also looks at other specialized areas that patients would benefit from if it was part of a community-care model.

## Capacity Utilization

The Company's physical capacity utilization calculation measures the Company's ability to utilize the available patient treatment appointments assuming all medical facilities operate at a standard 40 hours per week. For the three months ended March 31, 2026, physical capacity utilization was 52% compared to 47% for the three months ended March 31, 2025. This is calculated by comparing total patient visits into available patient appointments.

To improve physical capacity utilization, we need to recruit more physicians and other medical professionals to add more available doctor hours to treat patients and in markets where we have available doctor hours, we need to expand our referral network to increase patient volumes. Please refer to the Growth Strategy section of this MD&A for a discussion on the Company's initiatives to improve this metric.

Physical capacity itself is an important metric to be managed. As physical capacity approaches its limits, we have two alternative strategies to expand capacity:

1) expand the operating hours to open on evenings or weekends, as we have done at select medical facilities; and,
2) renovate existing medical facilities to add new treatment rooms or expand into adjacent rental units, as we did in two locations in 2025.

The Company has demonstrated its ability to increase and reduce physical capacity as needed. The Company continually assesses its real estate footprint and has returned excess space back to landlords and has expanded its footprint when needed. We can also expand capacity by building or acquiring new medical facilities in new markets.

Overall, the Company does not view physical capacity as a constraint on the business, but rather as a tool to determine the following:

- The medical facilities, which require expansion or additional evening or weekend hours.
- Where to focus our physician recruiting efforts to utilize available capacity.
- Where to focus our marketing efforts to expand our referral network to increase patient volumes.

## Selected Financial Information

| | **Three months ended March 31, 2026** | Three months ended March 31, 2025 |
|---|---|---|
| | **$** | $ |
| ***Operations*** | | |
| Clinic revenue | **20,214** | 18,046 |
| Non-clinic revenue | **1,296** | 1,289 |
| **Total revenue** | **21,510** | 19,335 |
| Cost of medical services | **17,555** | 15,695 |
| **Gross margin[1]** | **3,955** | 3,640 |
| General and administrative | **2,172** | 2,156 |
| Occupancy costs | **378** | 432 |
| Depreciation and amortization | **543** | 597 |
| **Income from operations**[(1)] | **862** | 455 |
| Interest cost | **187** | 296 |
| Transaction and other costs | **207** | 353 |
| **Income (loss) before income taxes** | **468** | (194) |
| Income tax expense | **89** | 133 |
| **Net and comprehensive income (loss)** | **379** | (327) |
| **Attributed to:** | | |
| Shareholders of NeuPath Health Inc. | **313** | (413) |
| Non-controlling interest | **66** | 86 |
| | **379** | (327) |
| **Adjusted EBITDA[1]** | **1,455** | 1,270 |
| **Net income (loss) per common share** | | |
| - basic | **0.01** | (0.01) |
| - diluted | **0.01** | (0.01) |
| **Weighted average number of common shares outstanding (in thousands)** | | |
| - basic | **56,289** | 56,218 |
| - diluted | **59,287** | 57,182 |

| | **As at March 31, 2026** | As at December 31, 2025 |
|---|---|---|
| ***Financial Position*** | **$** | $ |
| Cash and cash equivalents | **3,537** | 4,472 |
| Total assets | **44,827** | 45,090 |
| Total liabilities | **23,503** | 24,139 |
| Total equity | **21,324** | 20,951 |

(1) Gross margin, Income from operations and Adjusted EBITDA are non-IFRS measures. Please refer to *Non-IFRS Financial Measures* above.

## Results of Operations

| | **Three months ended March 31, 2026** | Three months ended March 31, 2025 |
|---|---|---|
| | **$** | $ |
| Clinic revenue | **20,214** | 18,046 |
| Non-clinic revenue | **1,296** | 1,289 |
| **Total revenue** | **21,510** | 19,335 |
| Cost of medical services | **17,555** | 15,695 |
| **Gross margin**[(1)] | **3,955** | 3,640 |
| **Gross margin %**[(1)] | **18.4%** | 18.8% |

[(1)] Gross margin and Gross margin % are non-IFRS measures. Please refer to *Non-IFRS Financial Measures* above.

**Total Revenue**
Total revenue is comprised of clinic revenue and non-clinic revenue. Total revenue was $21.5 million for the three months ended March 31, 2026 compared to $19.3 million for the three months ended March 31, 2025.

*Clinic Revenue*
Clinic revenue is generated through the provision of medical services to patients. Clinic revenue was $20.2 million for the three months ended March 31, 2026 compared to $18.0 million for the three months ended March 31, 2025. The increase in clinic revenue for the current quarter was primarily due to increased patient visits, continued growth from Arthrosamid and fluoroscopy revenues, positive adjustments to physician reimbursement rates and an improvement in capacity utilization through continued optimization of the space in the Company's medical facilities.

*Non-clinic Revenue*
Non-clinic revenue was $1.3 million for the three months ended March 31, 2026 and 2025. 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. This revenue fluctuates depending on the need for physicians in certain institutions and the timing and enrolment of clinical studies that the Company is working on.

**Significant Customers**
Under IFRS 8, *Operating Segments* ("IFRS 8"), major customers are those that account for greater than 10% of the Company's consolidated revenues. The Company has two major customers that accounted for 89% of the Company's total revenue for the three months ended March 31, 2026 [two major customers represented 87% of the Company's total revenue for the three months ended March 31, 2025]. The Company's credit risk is low as its major customers are government organizations.

**Operating Expenses**

| | **Three months ended March 31, 2026** | Three months ended March 31, 2025 |
|---|---|---|
| | **$** | $ |
| Cost of medical services | **17,555** | 15,695 |
| General and administrative | **2,172** | 2,156 |
| Occupancy costs | **378** | 432 |
| Depreciation and amortization | **543** | 597 |
| **Total operating expenses** | **20,648** | 18,880 |

Total operating expenses were $20.6 million for the three months ended March 31, 2026 compared to $18.9 million for the three months ended March 31, 2025.

*Cost of Medical Services*
COMS was $17.6 million for the three months ended March 31, 2026 compared to $15.7 million for the three months ended March 31, 2025. For the current quarter, the increase in COMS was primarily attributable to increased total

revenue compared to the comparative quarter. The COMS as a percentage of total revenue was 81.6% for the three months ended March 31, 2026 compared to 81.2% for the three months ended March 31, 2025.

Gross margin % was 18.4% for the three months ended March 31, 2026 compared to 18.8% for the three months ended March 31, 2025. (see *Non-IFRS Financial Measures - Gross Margin and Gross Margin %)*.

*General and Administrative*
G&A expenses were $2.2 million for the three months ended March 31, 2026 and 2025.

*Occupancy Costs*
Occupancy costs were $0.4 million for the three months ended March 31, 2026 and 2025. Occupancy costs represent the costs related to leased medical facilities. As at March 31, 2026, the Company leased 12 medical facilities.

*Depreciation and Amortization*
Depreciation and amortization expenses were $0.5 million for the three months ended March 31, 2026 compared to $0.6 million for the three months ended March 31, 2025. Depreciation and amortization expenses relate to amortization of intangible assets, depreciation of right-of-use assets and amortization of property, plant & equipment. The decrease in depreciation and amortization expense for the current quarter was primarily driven by lower amortization of leasehold improvements.

**Income from Operations**
Income from operations was $0.9 million for the three months ended March 31, 2026 compared to $0.5 million for the three months ended March 31, 2025. The increase in income from operations in the current period was primarily due to an increase in revenue, partially offset by higher COMS.

**Other Expenses**

| | **Three months ended March 31, 2026** | Three months ended March 31, 2025 |
|---|---|---|
| | **$** | $ |
| Interest cost | **187** | 296 |
| Transaction and other costs | **207** | 353 |
| **Total other expenses** | **394** | 649 |

*Interest Cost*
Interest costs were $0.2 million for the three months ended March 31, 2026 compared to $0.3 million for the three months ended March 31, 2025. Interest costs relate to the outstanding debt and interest charges due to accretion of interest on loans and leases.

*Transaction and Other Costs*
Transaction and other costs were $0.2 million for the three months ended March 31, 2026 compared to $0.4 million for the three months ended March 31, 2025. Transaction and other costs relate to one-time transactional expenses and potential acquisition due diligence costs for medical facilities that the Company is evaluating. Transaction and other costs in the current quarter primarily related to one-time transactional and legal costs for the internal corporate restructuring of subsidiaries in order to simplify the corporate structure. Transaction and other costs for the three months ended March 31, 2025 primarily related to the closing of the NBC Debt Financing on March 26, 2025 and other one-time transactional costs.

**Net and Comprehensive Income (Loss)**

| | Three months ended March 31, 2026 | Three months ended March 31, 2025 |
|---|---|---|
| | $ | $ |
| Net income (loss) before income taxes | **468** | (194) |
| Income tax expense | **89** | 133 |
| **Net and comprehensive income (loss)** | **379** | (327) |

*Income Tax Expense*
Income tax expense was $0.1 million for the three months ended March 31, 2026 and 2025. The Company's income tax expense relates to current income taxes generated from its joint-venture partnership and one of its wholly owned subsidiaries. The Company has available tax losses within its consolidated operations. Following the internal corporate restructuring of its subsidiaries to simplify the corporate structure, the Company expects to realize cash income tax savings of approximately $0.2 million annually.

*Net and Comprehensive Income (Loss)*
Net and comprehensive income was $0.4 million for the three months ended March 31, 2026 compared to net and comprehensive loss of $0.3 million for the three months ended March 31, 2025. The change in net and comprehensive income (loss) was primarily attributable to improved revenue and lower expenses, partially offset by higher COMS compared to the comparative quarter.

**Segments**
IFRS 8 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. The Company has one operating segment: medical services.

## Liquidity and Capital Resources

| | Three months ended March 31, 2026 | Three months ended March 31, 2025 |
|---|---|---|
| Net and comprehensive income (loss) | **379** | (327) |
| Items not involving current cash flows | **705** | 875 |
| Cash provided by operations | **1,084** | 548 |
| Net change in non-cash working capital | **(1,287)** | 834 |
| Cash provided by (used in) operating activities | **(203)** | 1,382 |
| Cash used in investing activities | **(175)** | (31) |
| Cash provided by (used in) financing activities | **(557)** | 155 |
| Net change in cash and cash equivalents during the period | **(935)** | 1,506 |
| Cash and cash equivalents, beginning of period | **4,472** | 2,923 |
| **Cash and cash equivalents, end of period** | **3,537** | 4,429 |

**Cash and Cash Equivalents**
As at March 31, 2026, cash and cash equivalents were $3.5 million compared to $4.4 million as at March 31, 2025.

**Operating Activities**
Cash used in operating activities was $0.2 million for the three months ended March 31, 2026 compared to cash provided by operating activities of $1.4 million for the three months ended March 31, 2025. For the current quarter, the $1.6 million decrease in cash provided by operating activities was primarily due to a $2.2 million decrease in net change in non-cash working capital resulting from a decrease in accounts payable and accrued liabilities and an increase in accounts receivable, partially offset by a $0.6 million increase in cash provided by operations from improvements in revenue.

**Investing Activities**
Cash used in investing activities was $0.2 million for the three months ended March 31, 2026 compared to $31 for the three months ended March 31, 2025. Cash used in investing activities for the current quarter primarily related to leasehold improvements to add treatment rooms to facilities that required capacity expansion. Cash used in investing activities for the comparative quarter related to the acquisition of computer software and equipment for medical facilities.

**Financing Activities**
Cash used in financing activities was $0.6 million for the three months ended March 31, 2026 compared to cash provided by financing activities of $0.2 million for the three months ended March 31, 2025. The increase in cash used in financing activities was primarily driven by the repayment of lease liabilities and long-term debt.

**Working Capital**
The Company defines working capital as current assets, less accounts payable and accrued liabilities, provisions and current income tax liabilities. The Company anticipates that its current working capital and the revenue it expects to generate from its continuing operations will be sufficient to satisfy its current debt obligations and working capital requirements for the next 12 months. The Company's ability to satisfy its non-current debt obligations will depend principally upon its future operating performance.

**Capital Structure**
The Company's strategy includes organic growth through improved capacity utilization, opening new medical facilities, expanding existing facilities and growth through strategic acquisitions. To execute this strategy, the Company may need to access additional resources under existing loan arrangements or seek alternate sources of financing, including equity issuances.

The Company expects to continue to be able to meet all obligations as they become due using some or all of the following sources of liquidity: cash flow generated from operations, existing cash and cash equivalents on hand, and additional borrowing capacity under the revolving demand facilities. In addition, subject to market conditions, the Company may raise additional funding through equity financing. The Company believes that its capital structure will provide financial flexibility to pursue future growth strategies. However, the Company's ability to fund operating expenses and debt service requirements will depend on, among other things, future operating performance, which will be affected by general economic, industry, financial and other factors beyond the Company's control (see *Risk Factors* below*)*.

## Selected Quarterly Information

The following is selected quarterly financial information for the Company over the last eight quarterly reporting periods:

| | **Q1 2026** | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|
| | **$** | $ | $ | $ | $ | $ | $ | $ |
| Clinic revenue | **20,214** | 20,721 | 20,787 | 22,209 | 18,046 | 17,526 | 16,335 | 17,266 |
| Non-clinic revenue | **1,296** | 1,428 | 1,292 | 1,421 | 1,289 | 1,362 | 1,217 | 1,614 |
| Total revenue | **21,510** | 22,149 | 22,079 | 23,630 | 19,335 | 18,888 | 17,552 | 18,880 |
| Total operating expenses | **20,648** | 22,142 | 21,590 | 22,545 | 18,880 | 18,746 | 17,406 | 18,142 |
| Net and comprehensive income (loss)[(1)] | **379** | (334) | (94) | 342 | (327) | (180) | (323) | 362 |
| Adjusted EBITDA[(2)] | **1,455** | 983 | 1,464 | 2,236 | 1,270 | 898 | 738 | 1,321 |
| Net income (loss) per common share | | | | | | | | |
| - basic | **0.01** | (0.01) | - | 0.01 | (0.01) | - | (0.01) | 0.01 |
| - diluted | **0.01** | (0.01) | - | 0.01 | (0.01) | - | (0.01) | 0.01 |

(1) Net and comprehensive income (loss) includes non-controlling interests.
(2) Adjusted EBITDA is a non-IFRS measure. Please refer to *Non-IFRS Financial Measures* above.

# Financial Instruments

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

| | **March 31, 2026** | December 31, 2025 |
|---|---|---|
| | **$** | $ |
| **Financial assets at amortized cost** | | |
| Cash and cash equivalents | **3,537** | 4,472 |
| Accounts receivable | **9,363** | 8,668 |
| Other assets | **176** | 197 |
| **Total financial assets** | **13,076** | 13,337 |
| **Financial liabilities at amortized cost** | | |
| Accounts payable and accrued liabilities | **10,356** | 10,868 |
| Lease obligations | **7,081** | 6,962 |
| Long-term debt | **6,012** | 6,175 |
| **Total financial liabilities** | **23,449** | 24,005 |

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

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

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

The Company reviews the fair value hierarchy classification on a quarterly basis. Changes to the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The Company did not have any transfer of assets or liabilities between Level 1, Level 2 and Level 3 of the fair value hierarchy during the three months ended March 31, 2026 and 2025.

# FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors mitigates these risks by assessing, monitoring and approving the Company's risk management process. This is not an exhaustive list of all risks nor will the mitigation strategies eliminate all risks listed.

**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.

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

### Risk Factors

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

*Liquidity risk*

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

As at March 31, 2026, the Company's financial liabilities had contractual maturities as summarized below:

| | | Current | Non-current | | |
|---|---|---|---|---|---|
| | **Total $** | **Within 12 Months $** | **1 to 2 Years $** | **3 to 5 Years $** | **> 5 Years $** |
| Accounts payable and accrued liabilities | **10,356** | 10,356 | - | - | - |
| Long-term debt | **6,012** | 650 | 1,300 | 1,300 | 2,762 |
| Lease obligations | **7,081** | 1,210 | 2,302 | 2,007 | 1,562 |
| | **23,449** | **12,216** | **3,602** | **3,307** | **4,324** |

*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.

## Litigation

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

## Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

## Related Party Transactions

The Company's related parties include certain investors and shareholders, subsidiaries and key management personnel. There were no changes in related-party relationships from those described in the Company's audited Consolidated Financial Statements for the year ended December 31, 2025.

During the three months ended March 31, 2026, the Company did not enter into any related-party transactions, and there were no related-party balances outstanding as at March 31, 2026.

## Outstanding Share Data

As at March 31, 2026, the Company had (i) 56,180,787 common shares, (ii) 1,420,375 restricted share units, and (iii) 5,488,049 stock options (with strike prices ranging from $0.14 to $0.87 per common share, of which 2,975,797 have vested), issued and outstanding.

The fully diluted number of common shares outstanding as at March 31, 2026 was 63,089,211.

## Critical Accounting Policies and Estimates

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions at the date of the Consolidated Financial Statements that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting periods. Management has identified accounting estimates that it believes are most critical to understanding the Consolidated Financial Statements and those that require the application of management's most subjective judgments, often requiring estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. The Company's actual results could differ from these estimates and such differences could be material. All material accounting policies are disclosed in Note 3, *Adoption of New Accounting Standards* and Note 4, *Summary of Material Accounting Policies* of the Company's Consolidated Financial Statements for the year ended December 31, 2025.

## Risk Factors

The Company is exposed to a variety of known and unknown risks in the pursuit of its strategic objectives. The impact of any risk may adversely affect, among other things, the Company's business, reputation, financial condition, results of operations and cash flows, which may affect the market price of its securities. The Company attempts to mitigate its strategic risks to an acceptable level through a variety of policies, systems and processes.

An investment in the common shares is speculative and involves a high degree of risk due to the nature of the Company's business. It is recommended that investors consult with their own professional advisors before investing in the common shares.

An investor should carefully consider the information contained in this MD&A, in addition to the risk factors discussed in the Company's AIF under the heading "Risk Factors", which section is hereby incorporated herein by reference. The AIF is available under the Company's profile on SEDAR+ at www.sedarplus.ca. The disclosures in this MD&A are subject to the risk factors outlined in the AIF. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. If any one or more of the risks occur as outlined in the AIF, the Company's business, financial condition and results of operations could be seriously harmed. Further, if the Company fails to meet the expectations of the public market in any given period, the market price of the Company's common shares could decline. Before making an investment decision, each prospective investor should carefully consider the risk factors included in the AIF and other public documents.