HEALWELL AI

# HEALWELL to Acquire Control of AI Leader 'Pentavere' to Help Solve Some of Healthcare's Toughest Data Challenges

- HEALWELL enters into agreement to acquire a majority stake of Pentavere, a healthcare artificial intelligence (AI) company whose DARWEN™ AI technology has been validated by some of the largest pharmaceutical companies in the world and whose research and validation has been published by some of the most prestigious publications globally.
- Pentavere has developed and validated best in class capabilities in data structuring and abstraction; a key capability to unlocking clinical value and unmet needs for patients and providers. The Pentavere acquisition adds revenue, new pharma customers and access to hospitals as well as growing HEALWELL's dedicated team of AI engineers.
- The transaction is expected to be financially and strategically accretive and highly synergistic with HEALWELL's strategic alliance agreement with WELL Health Technologies Corp. ("**WELL**") (TSX: WELL).

TORONTO, Nov. 15, 2023 -- HEALWELL AI Inc. ("**HEALWELL**" or the "**Company**") (TSX: AIDX), a data science and AI company focused on preventative care, is pleased to announce it has entered into an agreement to acquire a majority ownership position in Pentavere Research Group Inc. ("**Pentavere**"), an innovative AI health-tech company based in Toronto, Ontario, that focuses on identifying eligible patients for approved medications and interventions. Pentavere has a proven track record in commercialization of real-world evidence studies and has developed strong partnerships with major hospital networks. Pentavere's expertise in data abstraction and structuring, combined with their extensive network and experience in hospital specialist care, perfectly aligns with HEALWELL's commitment to improving preventative care.

HEALWELL's proposed majority acquisition of Pentavere will further solidify its standing as a world-class AI technology provider. This proposed acquisition will add top-line revenue, new products, partnerships with major hospital networks in Canada and the United States, access to five new key pharma customers and also an expert AI engineering team. The combined capabilities of HEALWELL and Pentavere in combination with the Company's partnership with WELL Health Technologies Corp. ("**WELL**") (TSX: WELL) allows HEALWELL to accelerate its strategic roadmap and tackle high value problems in the healthcare industry.

Dr. Alexander Dobranowski, CEO of HEALWELL commented, "We are thrilled at the prospect of welcoming Pentavere, a real AI powerhouse, to the HEALWELL family. This proposed acquisition will represent a major leap forward in our mission to revolutionize healthcare through the use of AI and data science. Pentavere is most certainly one of the leading technology assets in Healthcare AI in Canada. Its advanced DARWEN™ platform leverages artificial intelligence and large language models to process complex, unstructured clinical data into easily searchable and referenceable structured data, addressing a critical need in modern healthcare technology. Pentavere has established vital partnerships and secured data-access agreements with major hospital networks in Canada and the United States, solidifying its position as a leader in the industry."

Mr. Aaron Leibtag, Co-Founder and CEO of Pentavere, stated, "Pentavere has always been driven by a dedication to improving patient outcomes through technology. Joining forces with HEALWELL will allow us to amplify our impact and reach even greater heights in the field of healthcare technology. We are excited to combine our strengths and bring forth innovative solutions that will shape the future of healthcare and drive better outcomes for patients."

With a strong pedigree and commercial track record of delivering complex AI-driven real-world evidence (RWE) studies – Pentavere has a validated history of delivering impactful AI-solutions to the healthcare industry. Pentavere's extensive experience working with some of the world's largest pharmaceutical companies underscores its reputation in the commercial sector. Pentavere's impressive research contributions are equally noteworthy. Over the past several years, Pentavere has published an impressive array of literature in high-impact, peer-reviewed medical journals. This body of work, totalling more than 19 manuscripts, serves as a testament to Pentavere's capabilities and adds significant credibility to their technology, particularly in the eyes of healthcare experts, key opinion leaders and clinical researchers.

This proposed acquisition will mark a pivotal moment for HEALWELL, as it aligns perfectly with the Company's technological and commercial competencies. The addition of Pentavere's data abstraction and structuring capabilities, combined with access to hospitals and expertise in hospital based medical specialities, will significantly broaden HEALWELL's therapeutic and disease indication spectrum. Moreover, the expanded portfolio is expected to broaden HEALWELL's capabilities to unlock the value of its partnership with WELL with whom it has recently executed an agreement to deliver clinical decision support capabilities to WELL's healthcare providers.

No industry in the world produces more data than Healthcare. By the year 2025, the compound annual growth rate of data for healthcare will reach 36%[(1)]. Much of this data is generated in unstructured form and will require technologies such as Pentavere's to structure such that it can be used to solve the most challenging problems in the healthcare industry.

HEALWELL AI is acquiring a majority ownership of Pentavere on a non-diluted basis in a combined primary and secondary transaction with an option to buy the remaining stake over the next 3 years. The purchase values 100% of Pentavere at an enterprise value of $15 million which includes approximately $2 million in debt. HEALWELL is buying an initial stake from existing shareholders with a combination of cash ($1.75 million) and AIDX stock ($4.16 million) using the 5-day VWAP of the Subordinate Voting Shares prior to announcement of the transaction. A further $1.2 million will be invested by HEALWELL on closing to purchase newly issued treasury shares that increase HEALWELL's ownership to a majority position on a non-diluted basis, and provide Pentavere with fresh operating capital. On closing, HEALWELL has the right to appoint nominees for a majority of Pentavere's board seats.

Footnote:

(1) Source: Coughlin et al, Internal Medicine Journal article "Looking to tomorrow's healthcare today: "A participatory health perspective". IDC White Paper, Doc# US44413318: The Digitization of the World – From Edge to Core"

*Dr. Alexander Dobranowski*
Chief Executive Officer
HEALWELL AI Inc.

**About HEALWELL AI**

HEALWELL AI is a health care technology company focused on AI and data science for preventive care. Its mission is to improve health care and save lives through early identification and detection of disease. As a physician-led organization with a proven management team of experienced executives, HEALWELL AI is executing a strategy centered around developing and acquiring technology and clinical sciences capabilities that complement the Company's road map. HEALWELL is publicly traded on the Toronto Stock Exchange under the symbol AIDX. To learn more about HEALWELL AI, please visit: https://healwell.ai/.

**About Pentavere**

Pentavere Research Group is a globally recognized and award-winning AI digital health company that has built a best-in-class AI engine to identify patients that are eligible for approved medications or interventions, to improve outcomes for patients and help drive therapy growth and penetration. Pentavere's AI system, DARWEN™, identifies patients that are eligible for but not receiving approved medications or interventions, improving outcomes for patients and helping drive appropriate therapy growth and penetration.

**Forward Looking Statements**

*Certain statements in this press release, constitute "forward-looking information" and "forward looking statements" (collectively, "forward looking statements") within the meaning of applicable Canadian securities laws and are based on assumptions, expectations, estimates and projections as of the date of this press release. Forward-looking statements in this press release include statements with respect to, among other things: the closing of the proposed acquisition and the acquisition of a majority stake in Pentavere on the terms disclosed herein; the expected results of the acquisition, including the expected financial, strategic and synergistic benefits to HEALWELL; anticipated benefits of revenue and new products and partnerships resulting from the majority acquisition; and the expectation that the acquisition will provide positive benefits and opportunities through HEALWELL's strategic alliance with WELL. Forward-looking statements are often, but not always, identified by words or phrases such as "to become", "improve", "growth", "ensuring", "continue", "anticipated", "expects", "proceed", "potential", "future", "consider", "result in", "increase", "deliver", "emerging", "is poised", "plan", "position", "opportunities", "expansion", "exercise", "ensure", "achieve", "acquire", "complete", "satisfy", "entitle", "subject to" or variations of such words and phrases or statements that certain future conditions, actions, events or results "will", "may", "could", "would", "should", "might" or "can" be taken, occur or be achieved, or the negative of any of these terms . Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by HEALWELL as of the date of such statements, are outside of HEALWELL's control and are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being entirely or partially incorrect or untrue. Forward looking statements contained in this press release are based on various assumptions, including, but not limited to, the following: ability to close the acquisition on negotiated terms; ability to satisfy all closing conditions, including stock exchange approval; ability for HEALWELL to realize on expected synergies with Pentavere; the stability of general economic and market conditions; HEALWELL's ability to comply with applicable laws and regulations; HEALWELL's continued compliance with third party intellectual property rights; and that the risk factors noted below, collectively, do not have a material impact on HEALWELL's business, operations, revenues and/or results. By their nature, forward-looking statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections, or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved.*

*Known and unknown risk factors, many of which are beyond the control of HEALWELL, could cause the actual results of HEALWELL to differ materially from the results, performance, achievements, or developments expressed or implied by such forward-looking statements. Such risk factors include but are not limited to those factors which are discussed under the section entitled "Risk Factors" in HEALWELL's most recent annual information form dated March 31, 2023, which is available under HEALWELL's SEDAR+ profile at www.sedarplus.ca. The risk factors are not intended to represent a complete list of the factors that could affect HEALWELL and the reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. 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. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. HEALWELL disclaims any intention or obligation to update or* *revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law. All of the forward-looking statements contained in this press release are qualified by these cautionary statements.*

For more information:

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