



WELL Health
TECHNOLOGIES CORP

**WELL HEALTH TECHNOLOGIES CORP.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

BACKGROUND

This Interim Management's Discussion and Analysis ("**Interim MD&A**") for WELL Health Technologies Corp. (TSX: WELL; OTCQX: WHTCF) should be read in conjunction with the Company's condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2023, and the Company's audited annual consolidated financial statements as at and for the years ended December 31, 2022 and 2021. Except as otherwise indicated or where the context so requires, references to "WELL" or the "Company" include WELL Health Technologies Corp. and its subsidiaries. The Company prepares its condensed interim consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. **All dollar figures stated herein are expressed in thousands of Canadian dollars (\$'000 or Cdn\$'000), unless otherwise specified, except share and per share amounts. Certain figures for 2021 and 2022 periods have been restated to reflect the finalization of purchase price allocations for certain entities acquired by the Company in 2020, 2021 and 2022. Please refer to "Overall Performance" in this Interim MD&A and note 23 of the December 31, 2022 audited annual consolidated financial statements for details.**

This Interim MD&A contains non-GAAP financial measures and ratios, including Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Net Income, and Adjusted Net Income Per Share. See "Consolidated Financial Results" section for more information.

The date of this Interim MD&A is August 10, 2023, the date on which it was approved by the Board of Directors.

Additional information relevant to the Company's activities, including the Company's Annual Information Form ("**AIF**"), can be found on SEDAR at www.sedarplus.ca.

This Interim MD&A contains forward-looking information. See "Forward-Looking Information" for further information.

The Company was incorporated under the *Business Corporations Act (British Columbia)* on November 23, 2010. The Company's headquarters are located at Suite 550 - 375 Water Street, Vancouver, BC, V6B 5C6. WELL's healthcare clinics are in the provinces of British Columbia, Alberta, Ontario, and Quebec in Canada, as well as in 21 states across the U.S.

COMPANY OVERVIEW

WELL is a practitioner-focused digital healthcare company. WELL's overarching mission is to positively impact health outcomes by leveraging technology to empower healthcare practitioners and their patients globally. WELL exists to enable healthcare practitioners with best-in-class technology and services. The Company has built the most comprehensive end-to-end healthcare system across Canada including the

largest network of clinics supporting primary care, specialized care, and diagnostics services. In the U.S., WELL provides omni-channel patient services and solutions targeting specific markets such as gastrointestinal health, women's health, primary care and mental healthcare. In addition to providing patient services, WELL develops, integrates, and sells its own suite of technology software and technology solutions to medical clinics and healthcare practitioners. WELL's practitioner enablement platform includes: Electronic Medical Records ("**EMR**"), telehealth platforms, practice management, billing, Revenue Cycle Management ("**RCM**"), an AI-powered virtual assistant ("**WELL AI Voice**"), digital health apps and data protection solutions.

WELL provides practitioners the choice to either join WELL's network or purchase technology solutions from WELL. There are over 3,200 practitioners who are part of WELL's network in which the practitioner practices at one of WELL's owned and operated clinics and gets access to the full suite of WELL's products and services. In this scenario, the Company manages all aspects of the clinic operations and recognizes the resulting gross billings from in-person and virtual patient visits while the practitioner typically receives payment under a revenue share contractual arrangement.

In addition, there are over 31,000 practitioners who purchase technology solutions while practicing at non-WELL owned clinics. Physicians can pick and choose "a la carte" solutions offered on WELL's practitioner enablement platform. While this segment is a smaller portion of WELL's total revenues, it has enabled the Company to create relationships with healthcare practitioners across the country and positions us favorably when it comes time to attract new physicians to one of our patient services businesses.

WELL is an acquisitive company that follows a disciplined and accretive capital allocation strategy. The Company's mergers and acquisitions ("**M&A**") strategy is based on acquiring additional clinical and digital assets that are highly accretive and synergistic to WELL. The Company generally seeks to acquire cash generating companies which lead to increased cash flows that are then re-invested to make additional new cash generating acquisitions. WELL operates under a shared services model which results in obtaining cost efficiencies, technological improvements and synergies across the acquisitions and the various business units where possible. The Company is focused on the implementation of digital technology solutions in its own clinic network and then selling solutions to other practitioners and medical clinics worldwide.

The Company's revenue is derived from three key business units:

1. Canadian Patient Services;
2. WELL Health USA Patient Services; and
3. SaaS and Technology Services.

Canadian Patient Services

WELL is the largest owner-operator of outpatient medical clinics in Canada providing primary care, allied health, specialized care, and diagnostic healthcare services. As of June 30, 2023, the Company had a total of 84 physical facilities across Canada. The Company acquired its first primary care clinics in the Province of British Columbia in February 2018. Since then, WELL expanded its footprint through several accretive acquisitions in the provinces of Alberta, Ontario, and Quebec.

WELL acquired MyHealth Partners Inc. ("**MyHealth**") in July 2021, which significantly expanded WELL's clinical footprint in the province of Ontario and added diagnostic capabilities to the Company's portfolio of patient care services. MyHealth offers a wide range of diagnostic services to its patients including mammography, X-ray, ultrasounds and electrocardiograms (ECG). In addition to diagnostic services, MyHealth also provides family medicine, specialist cardiologists and mental health counselling services.

WELL Health USA Patient Services

WELL Health USA Patient Services consists of three unique assets: CRH, Circle Medical and Wisp.

WELL expanded its patient services business in the U.S. with the acquisition of CRH in April 2021. CRH delivers specialized care services focused on providing gastroenterologists throughout the U.S. with innovative services and products for the treatment of gastrointestinal (GI) diseases. Through CRH, WELL gains deep access to the U.S. healthcare system, including anesthesia services for patients undergoing endoscopic procedures at 129 Ambulatory Surgery Centers (ASCs) and GI clinics across 18 states as of June 30, 2023. The acquisition of CRH meaningfully enhanced WELL's free cash flow profile, enabling future reinvestment, capital compounding, and capital allocation opportunities across other attractive healthcare and healthcare-technology segments.

Circle Medical is a full cycle primary care provider offering a blend of virtual and in-person care, with a specialization in mental health related care. Circle Medical is headquartered in San Francisco, California with a research and development office in Montreal, Canada. WELL made an initial equity investment in Circle Medical in 2018 and subsequently acquired a majority ownership stake in Circle Medical in 2020. WELL's investment allowed Circle Medical to expand its services and reach a wider patient population.

Circle Medical's team of healthcare providers includes primary care physicians, nurse practitioners and mental health specialists. Circle Medical offers virtual care services across 25 states and has physical facilities in 21 states in the U.S. Circle Medical has developed its own proprietary technology solutions including Circle Medical's mobile app which allows patients to schedule appointments, receive virtual patient care and access their medical records.

Wisp is an online provider of women's health and e-prescription services. Wisp's mission is to provide convenient, affordable, and personalized care to women. Wisp offers a range of services that address women's health needs, including birth control, treatment for urinary tract infections, and prescription skincare. In 2021, WELL acquired a majority ownership stake in Wisp.

One of Wisp's unique features is its focus on telemedicine and e-prescription services, which allows healthcare providers to send prescriptions directly to a patient's preferred pharmacy or directly to their homes. The e-prescription capabilities make it easier for patients to receive and manage their medications.

Key Metrics for Canadian and Well Health USA Patient Services⁽²⁾

	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
Canadian Patient Services					
Practitioners	1,878	1,700	1,659	1,390	1,258
Clinics	148	139	139	135	128
Physical Facilities	84	77	77	72	69
Total Canada Patient Visits	537,000+	503,000+	491,000+	472,000+	480,000+
WELL Health USA Patient Services					
Practitioners	1,329	1,291	1,283	1,201	996
Clinics	33	24	6	5	3
Physical Facilities	32	23	5	4	2
CRH ASCs / GI clinics served	129	128	126	126	91
Total US Patient Visits	478,000+	471,000+	450,000+	425,000+	375,000+
CRH Ligators Sold	32,000+	59,000+	42,000+	41,000+	45,000+
TOTAL WELL PATIENT SERVICES					
Total Practitioners	3,207	2,991	2,942	2,591	2,254
Total Clinics	181	166	148	143	134
Total Physical Facilities	116	101	83	77	72
Total Patient Visits	1,015,000+	975,000+	941,000+	898,000+	855,000+

Note:

- ¹ Practitioners are defined as Clinical Support Staff, Allied Health Providers, Medical Technicians, Nurses, or Physicians.
- ² Patient visit metrics for prior periods, Q1 2022 through Q4 2022, have been restated to align with new segmentation based on Canadian Patient Services and WELL Health USA Patient Services operating segments. Diagnostic patient visits performed by MyHealth and False Creek Wellness are now included in Canadian Patient visits, while Wisp's asynchronous patient visits are now included in U.S. Patient visits. Patient bookings only conducted by various technology providers such as OceanMD, Adracare, and Insig are now reported under Technology Interactions.

SaaS and Technology Services

The Company's SaaS and Technology Services revenue is derived from two key business units: (i) **WELL Provider Solutions**; and (ii) **WELL Cybersecurity**.

WELL Provider Solutions combines the WELL EMR Group, Billing and RCM Solutions, OceanMD and apps.health, into one single practitioner enablement platform.

WELL EMR Group is the provider of OSCAR Pro, an EMR platform based on McMaster University's popular web-based open-source OSCAR EMR system (OSCAR is an acronym for "Open Source Clinical Application Resource"). WELL EMR Group's growth has been primarily driven by acquisitions and consolidation of a number of smaller OSCAR based EMR providers including: NerdEMR Services Ltd., OSCARprn – Treatment Solutions Ltd., Kela Atlantic Inc. dba KAI Innovations, OSCARwest EMR Services, Trinity Healthcare Technologies, MedBASE Software Inc., Indivica Inc., ClearMedica Corporation, Open Health Software Solutions Inc., and Juno EMR.

WELL has also acquired several non-OSCAR based specialty EMR vendors including: Intrahealth Systems Limited, Aware MD Inc., and Adracare Inc.

WELL's Billing and RCM Solutions business unit is the national category leader for billing and back-office services including "Billing-as-a-Service" (BaaS) outsourcing services to doctors in Canada. Billing and RCM Solutions includes the acquisition of DoctorCare Inc. ("**DoctorCare**"), DoctorCare's subsequent majority stake acquisition of Doctor Services Group Limited ("**DSG**"), Trillium Medical Billing Agency Inc. ("**Trillium**"), and the acquisition of ClinicAid billing software applications as part of the CloudMD Cloud Practice transaction. Billing and RCM Solutions helps practitioners grow their practice by minimizing errors, ensuring compliance with complicated medical billing claim codes and improving patient care.

OceanMD, previously known as CognisantMD, was acquired by WELL on December 1, 2021. OceanMD is Canada's leading provider of integrated solutions designed to connect patients, providers, and healthcare systems through the secure exchange of healthcare data. Ocean's full suite of EMR-integrated patient engagement solutions, from online booking to patient messages, and check-in kiosks, reduces the burden on providers and clinic staff, while empowering patients to access their own health data. The same platform is giving clinicians a way to easily send eReferrals and eConsults through the Ocean Provider Network, improving overall system efficiency and reducing wait times.

Apps.health is a digital health app marketplace whose mission is to connect healthcare professionals with new and pioneering solutions or "apps" which integrate securely and seamlessly with a clinic's EMR software. It currently features approximately 54 digital health applications provided by 38 app publishers.

WELL Cybersecurity provides cybersecurity protection and patient data privacy solutions across all the Company's business units. In addition, WELL Cybersecurity continues to service its external customers across a broad array of industries including healthcare clients. This business unit was formed through the acquisition of the Services Division of Cycura Inc., and Source 44 Consulting Incorporated.

Key Metrics for SaaS and Technology Services

	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
SaaS and Technology Services					
Total practioners in Network	31,000+	28,000+	23,000+	22,000+	21,000+
Billing & RCM Practitioners	8,500+	8,200+	3,600+	3,500+	3,200+
EMR # of Clinics	3,900+	3,900+	3,500+	3,500+	3,500+
OceanMD eReferrals	226,000+	190,000+	151,000+	137,000+	129,000+
Apps on Apps.Health	54	54	52	51	51

WELL Ventures

WELL Ventures was created to formalize WELL's commitment to invest in and advance the digitization and modernization of healthcare in Canada and around the globe. WELL Ventures' current portfolio companies include Phelix AI Inc. ("**Phelix.ai**"), Simpill Health Group Inc. ("**Pillway**"), Twig Fertility Co. ("**Twig**"), 10432423 Canada Ltd. dba Bright ("**Bright**"), 10432423 Canada Limited 9338-7900 Quebec Inc. dba Tap Medical ("**Tap Medical**"), 11855760 Canada Inc. dba Tali.ai ("**Tali.ai**"), Cherry Health Inc. ("**Cherry Health**"), and doctorly GmbH ("**doctorly**").

SIGNIFICANT HISTORICAL EVENTS

Business combinations and asset acquisitions

On June 22, 2023, the Company announced that, through its subsidiary CRH, it had made a strategic investment in Graphium Health LP, a leading EMR company focused on anesthesia practices in both

inpatient and outpatient settings across the United States. The investment is part of a strategic alliance designed to further digitize and modernize CRH's billing and back-office processes.

On May 1, 2023, the Company completed the acquisition of Trillium Medical Billing Agency Ltd. ("Trillium").

On June 1, 2023, the Company completed the acquisition of MCI Medical Clinics (Alberta) Inc. ("MCI AB") for total consideration of \$2,000 subject to post-closing adjustments. MCI AB is the operator of five multi-disciplinary primary care clinics based in Calgary, Alberta that offer a range of primary care services, including family medicine, women's health, and other specialties.

On April 26, 2023, the Company announced that it was launching The WELL AI Investment Platform ("AI Investment Platform"). The focus of AI Investment Platform is on early-stage AI companies, with the goal of investing in at least 10 companies with a minimum investment of \$250, and to ensure that each investee has a strategic alliance agreement with WELL that allows it to benefit from WELL's healthcare ecosystem.

On April 1, 2023, the Company, through its subsidiary CRH, sold its 51% interest in Western Ohio Sedation Associates, LLC ("WOSA") for total cash consideration of C\$11,059 (US\$8,172) plus a five-year management services agreement, which includes a base fee plus performance incentives.

On March 2, 2023, the Company led an investment round in doctorly, a medical practice management software provider based in Germany. doctorly provides a fully centralized, cloud powered, GDPR compliant, medical practice operating system that dramatically reduces the time and effort doctors and medical assistants spend on day-to-day administrative tasks.

On March 1, 2023, the Company completed the acquisition of a 51% interest in Affiliated Tampa Anesthesia Associates, LLC ("ATAA") for cash consideration of \$6,173 (US\$4,535) plus transaction costs.

On December 1, 2022, the Company increased its ownership percentage of Focus from 20% to 51% for cash consideration of \$151. Focus became a WELL subsidiary as of that date.

On November 1, 2022, the Company completed the acquisition Cloud Practice Inc. ("Cloud Practice") and three primary care clinics located in the province of British Columbia from CloudMD Software & Services Inc. ("CloudMD") for total consideration of \$5,750 subject to post-closing working capital and holdback adjustments. Cloud Practice includes OSCAR based Juno EMR and ClinicAid billing software applications.

On November 1, 2022, the Company completed the acquisition of a 100% interest in False Creek, a medical centre in Vancouver, British Columbia that provides executive health assessments, heart health assessments and medical imaging services.

On September 26, 2022, the Company completed the acquisition of a 100% interest in Phymed of Arizona, LLC, also known as Grand Canyon Anesthesia ("**GCA**"), an anesthesia services provider in Arizona, U.S. GCA is a well-established group consisting of over 100 anesthesia providers (CRNAs and Anesthesiologists) supporting the delivery of anesthesia for more than 50,000 cases annually. Cases are predominantly GI, but also include other specialties such as orthopedic, spine, pain, dental, ENT and ophthalmology.

On September 1, 2022, CRH completed the sale of West Florida Anesthesia Associates ("**WFAA**") to United Digestive for US\$12,400.

On August 1, 2022, the Company completed the acquisition of INLIV, a healthcare provider located in Calgary, Alberta, specializing in consumer preventative health, corporate and executive health, primary care, cosmetics, fitness, and integrated health services.

Board of Directors changes

On August 5, 2022, the Company announced the addition of Sybil Lau to WELL's Board of Directors. Ms. Lau has 25 years of experience in both public and private investments. She is also on the Board of Directors of the Dalio Family Office in Singapore and a Chinese hedge fund.

EVENTS SUBSEQUENT TO JUNE 30, 2023

On July 1, 2023, the Company acquired a 100% interest in Lone Star Anesthesia Associates, PLLC ("LSAA"). The purchase consideration, paid via a combination of cash, shares and deferred consideration, was C\$16,524 (US\$12,500) plus transaction costs.

On July 1, 2023, the Company acquired a 100% interest in CarePlus Medical Corporation ("CarePlus"). The purchase consideration, paid via cash, was \$46,267 (US\$35,000). Upon closing, CarePlus had approximately \$14 million in cash and net working capital.

On July 19, 2023, the Company entered into an agreement to acquire clinic assets from MCI Medical Clinics Inc., a subsidiary of MCI Onehealth Technologies Inc. (TSX: DRDR) ("MCI") and a subscription agreement for a convertible debenture financing in MCI which will strategically focus the MCI business on its leading AI, Data Science and Rare & Complex Disease Detection platform (the "MCI Transaction"). As part of the strategic alliance with MCI, WELL will join the MCI Board of Directors and subject to satisfaction of certain conditions, WELL will also hold an option to acquire up to 30.8 million Class A shares and 30.8 million Class B shares in MCI over time and upon the achievement of certain MCI performance metrics. Upon closing of the MCI Transaction, WELL is expected to pay the following: (i) cash of \$1.5 million; (ii) \$3.5 million in WELL shares to be paid to the holders of The First Canadian Wellness Co. secured credit facilities; and (iii) a minimum of \$2.5 million in cash to be invested as lead investor for a convertible debenture financing with 5-year maturity, 10% coupon and convertible into Class A Subordinate Voting Shares at a conversion price of \$0.20 per share and 5-to-1 warrant coverage. This transaction is expected to close in the fourth quarter of 2023.

On July 19, 2023, the Company also advanced \$3 million to MCI under a secured promissory note bearing interest at a rate of prime plus 9%, which will accrue and be payable, along with all outstanding principal, on the earlier of four months or the date the MCI Transaction closes. Such advance shall be credited towards the cash payment obligations of WELL upon closing of the MCI Transaction.

On July 27, 2023, the Company announced that it had re-branded CRH Medical Corporation and launched WELL Health USA, a multi-disciplinary healthcare business spanning primary and specialized care with online and offline operations at scale. WELL Health USA will leverage its deep U.S. based healthcare expertise and structural advantages to create a whole new category of shared services that will benefit and deliver improved integration and facilitate further growth between WELL's U.S. based lines of business including CRH Anesthesia, CRH O'Regan System, Radar Healthcare Providers, Circle Medical and Wisp.

OUTLOOK

WELL is expecting its strong performance to continue into the second half of 2023 across all its business units and for the entire Company as a whole. WELL's objective is to invest in and achieve significant growth while effectively managing its costs and delivering cashflow to shareholders. Management is pleased to provide the following upgrade to its 2023 annual guidance:

- Annual revenue is expected to be in the upper half of the guidance range of \$740 million and \$760 million. Annual guidance only includes announced acquisitions.
- Annual Adjusted EBITDA is expected to increase by more than 10% over 2022 levels allowing the company to invest in growth and continue to acquire market share.

WELL expects to continue to grow its Canadian Patient Services business both organically and inorganically and increase its market leadership as the country's first pan-Canadian clinical network with a highly integrated network of tech-enabled outpatient healthcare clinics across the country. Meanwhile, growth in the Company's WELL Health USA Patient Services business is expected to be primarily driven by organic growth, augmented by the Company's recent acquisition of CarePlus.

As a company with deep tech experience and capabilities, WELL has also made investments in AI technologies a key priority within the Company and expects to develop compelling new products and enhancements to roll out to WELL's vast provider network.

WELL's strong organic growth and robust cash flow profile allows the Company to continue to successfully execute on its acquisition plans. Management expects additional cash flows generated by the Company will be re-invested in the business and allocated in a disciplined manner.

OVERALL PERFORMANCE

Purchase price allocation finalization and restatement for 2021 and 2022

During the year ended December 31, 2022, the Company finalized the purchase price allocation of certain entities acquired in 2021. During the year ended December 31, 2021, the Company finalized the purchase price allocation of certain entities acquired in 2020. As a result of these finalizations, certain assets and liabilities recorded at the respective acquisition dates including goodwill, intangible assets, property and equipment, deferred tax assets and liabilities and other amounts on the consolidated statements of financial position have been restated to reflect the final fair values allocated to net assets acquired. These restatements also impacted amortization expense, deferred income tax expense and net income (loss) for quarterly periods in 2020, 2021 and 2022. As a result, financial results for these periods have been marked as restated.

During the six months ended June 30, 2023, the Company finalized the purchase price allocation of certain entities acquired in the fourth quarter of 2022 and during 2023. See note 16 of the condensed interim consolidated financial statements.

Consolidated Financial Results

The following table provides selected quarterly financial information for the quarters ended June 30, 2023, March 31, 2023, and June 30, 2022; and six months ended June 30, 2023 and June 30, 2022. The results of operations from acquired businesses and entities are included from their respective dates of acquisition. **The table includes non-GAAP financial measures and reconciliations of such measures to their most comparable IFRS measure.**

	Three months ended			Six months ended	
	June 30, 2023	March 31, 2023	June 30, 2022 Restated	June 30, 2023	June 30, 2022 Restated
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	170,922	169,425	140,326	340,347	266,834
Cost of sales (excluding depreciation and amortization)	(80,099)	(83,256)	(64,852)	(163,355)	(121,972)
Adjusted Gross Profit ⁽¹⁾	90,823	86,169	75,474	176,992	144,862
Adjusted Gross Margin ⁽¹⁾	53.1%	50.9%	53.8%	52.0%	54.3%
Adjusted EBITDA ⁽¹⁾	27,789	26,683	26,433	54,472	49,926
Net loss	(2,016)	(10,627)	(1,244)	(12,643)	(4,020)
Adjusted Net Income ⁽¹⁾	14,361	14,125	17,528	28,486	26,458
Loss per share, basic and diluted (in \$)	(0.03)	(0.06)	(0.03)	(0.09)	(0.07)
Adjusted Net Income per share, basic and diluted (in \$) ⁽¹⁾	0.06	0.06	0.08	0.12	0.12

Weighted average number of common shares outstanding, basic and diluted **235,434,417** 232,171,126 216,181,083 **233,811,786** 213,115,055

Reconciliation of net loss to Adjusted EBITDA:

Net loss for the period	(2,016)	(10,627)	(1,244)	(12,643)	(4,020)
Depreciation and amortization	14,041	14,522	13,810	28,563	27,185
Income tax expense (recovery)	1,889	192	(2,398)	2,081	(445)
Interest income	(127)	(188)	(109)	(315)	(211)
Interest expense	7,828	7,774	5,254	15,602	10,408
Rent expense on finance leases	(2,581)	(2,490)	(2,227)	(5,071)	(4,379)
Stock-based compensation	6,134	6,599	8,527	12,733	13,666
Foreign exchange gain	(65)	(284)	(440)	(349)	(481)
Time-based earnout expense	1,476	10,854	4,515	12,330	7,036
Change in fair value of investments	-	-	-	-	(602)
Gain on disposal of investments	(1,517)	-	-	(1,517)	-
Share of net loss of associates	91	97	90	188	238
Transaction, restructuring, integration and other costs expensed	838	234	655	1,072	1,531
Other items	1,798	-	-	1,798	-
Adjusted EBITDA⁽¹⁾	27,789	26,683	26,433	54,472	49,926

Attributable to WELL shareholders

22,287 20,632 19,186 42,919 35,282

Attributable to Non-controlling interests

5,502 6,051 7,247 11,553 14,644

Adjusted EBITDA⁽¹⁾

WELL Corporate	(4,456)	(4,525)	(3,927)	(8,981)	(8,041)
Canada and others	14,777	12,238	7,883	27,015	13,481
WELL Health USA	17,468	18,970	22,477	36,438	44,486

Adjusted EBITDA⁽¹⁾ attributable to WELL shareholders

WELL Corporate	(4,456)	(4,525)	(3,927)	(8,981)	(8,041)
Canada and others	14,804	11,773	7,722	26,577	13,131
WELL Health USA	11,939	13,384	15,391	25,323	30,192

Adjusted EBITDA⁽¹⁾ attributable to Non-controlling interests

Canada and others	(27)	465	161	438	350
WELL Health USA	5,529	5,586	7,086	11,115	14,294

Reconciliation of net loss to Adjusted Net Income:

Net loss for the period	(2,016)	(10,627)	(1,244)	(12,643)	(4,020)
Amortization of intangible assets	10,720	11,030	10,841	21,750	21,198
Time-based earnout expense	1,476	10,854	4,515	12,330	7,036
Stock-based compensation	6,134	6,599	8,527	12,733	13,666
Change in fair value of investments	-	-	-	-	(602)
Other items	1,798	-	-	1,798	-
Non-controlling interest included in net loss	(3,751)	(3,731)	(5,111)	(7,482)	(10,820)
Adjusted Net Income⁽¹⁾	14,361	14,125	17,528	28,486	26,458
Adjusted Net Income per share⁽¹⁾	0.06	0.06	0.08	0.12	0.12

Note:

(1) This is a non-GAAP financial measure and ratio.

In addition to results reported in accordance with IFRS, the Company uses certain non-GAAP financial measures as supplemental indicators of its financial and operating performance. These non-GAAP financial measures include Adjusted Net Income, Adjusted Net Income Per Share, Adjusted EBITDA, Adjusted Gross Profit, and Adjusted Gross Margin. The Company believes these supplementary financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in its business.

Adjusted Net Income and Adjusted Net Income per Share

The Company defines Adjusted Net Income as net income (loss), after excluding the effects of stock-based compensation expense, amortization of acquired intangible assets, time-based earnout expense, change in fair value of investments, non-controlling interests, and revenue precluded from recognition under IFRS 15 that relates to certain patient services revenue that the Company believes should be recognized as revenue based on its contractual relationships. Adjusted Net Income Per Share is Adjusted Net Income divided by weighted average number of shares outstanding. The Company believes that these non-GAAP financial measures provide useful information to analyze our results, enhance a reader's understanding of past financial performance and allow for greater understanding with respect to key metrics used by management in decision making. More specifically, the Company believes Adjusted Net Income is a financial metric that tracks the earning power of the business that is available to WELL shareholders.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP measures. **EBITDA** represents net income (loss) before interest, taxes, depreciation and amortization. The Company defines Adjusted EBITDA as EBITDA (i) less net rent expense on premise leases considered to be finance leases under IFRS and before (ii) transaction, restructuring, and integration costs, time-based earn-out expense, change in fair value of investments, share of income (loss) of associates, foreign exchange gain/loss, and stock-based compensation expense, (iii) revenue precluded from recognition under IFRS 15 that relates to certain patient services revenue that the Company believes should be recognized as revenue based on its contractual relationships, and (iv) gains/losses that are not reflective of ongoing operating performance. The Company considers **Adjusted EBITDA** to be a financial metric that measures cash that the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. EBITDA and Adjusted EBITDA should not be considered alternatives to net income (loss), cash flow from operating activities or other measures of financial performance in accordance with IFRS.

Adjusted Gross Profit and Adjusted Gross Margin

The Company defines Adjusted Gross Profit as revenue less cost of sales (excluding depreciation and amortization) and Adjusted Gross Margin as adjusted gross profit as a percentage of revenue. Adjusted gross profit and adjusted gross margin should not be construed as an alternative for revenue or net income (loss) determined in accordance with IFRS. The Company does not present gross profit in its consolidated financial statements as it is a non-GAAP financial measure. The Company believes that adjusted gross profit and adjusted gross margin are meaningful metrics that are often used by readers to measure the Company's efficiency of selling its products and services.

Adjusted Net income, Adjusted Net Income per Share, Adjusted EBITDA, Adjusted Gross Profit and Adjusted Gross Margin are not recognized measures for financial statement presentation under IFRS and do not have standardized meanings. As such, these measures may not be comparable to similar measures presented by other companies and should be considered as supplements to, and not as substitutes for, or superior to, the corresponding measures calculated in accordance with IFRS.

DISCUSSION OF OPERATIONS

Revenue

The following table shows a breakdown of revenue for the three and six months ended June 30, 2023 and 2022:

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	\$'000	\$'000	\$'000	\$'000
Patient Services	157,657	123,358	307,719	236,721
SaaS and Technology Services	13,265	16,968	32,628	30,113
Total Revenue	170,922	140,326	340,347	266,834

For the three months ended June 30, 2023, the Company generated revenue of \$170,922, an increase of 22%, compared to revenue of \$140,326 for the three months ended June 30, 2022. The increase in revenue is primarily attributable to the Company's organic growth and acquisitions. For the six months ended June 30, 2023, the Company generated revenue of \$340,347, an increase of 28%, compared to revenue of \$266,834 for the six months ended June 30, 2022.

Patient Services revenue, which comprises Canadian Patient Services and WELL Health USA Patient

Services business units, accounted for 92% of Total Revenue for the three months ended June 30, 2023, compared to 88% of total revenue for the three months ended June 30, 2022. Patient Services revenue increased 28% to \$157,657 during the three months ended June 30, 2023, compared to \$123,358 for the three months ended June 30, 2022, primarily due to organic growth across all businesses, most notably from CRH, Circle Medical and Wisp and from the Company's clinic acquisitions. For the six months ended June 30, 2023, Patient Services revenue accounted for 90% of Total Revenue, compared to 89% of Total Revenue for the six months ended June 30, 2022. Patient Services revenue increased 30% to \$307,719 during the six months ended June 30, 2023 compared to \$236,721 during the six months ended June 30, 2022.

Patient Services revenue is derived from in-person clinic visits as well as online consultations/bookings available via telehealth platforms. Patient Services revenue, consisting of both public insured, non-public, and other revenue, is typically affected by seasonality as the fall and winter months will have higher patient visits resulting in an increase in revenue in those months. Public insured refers to revenue generated for providing publicly accessible healthcare services that are reimbursed by the provincial/state or federal health authorities. Non-public and other revenue includes revenue generated from services that are not eligible for government reimbursement, and as such are charged directly to patients and/or third-party insurance providers.

SaaS and Technology Services revenue accounted for 8% of Total Revenue for the three months ended June 30, 2023, as compared to 12% for the three months ended June 30, 2022. SaaS and Technology Services revenue decreased 22% to \$13,265 for the three months ended June 30, 2023, compared to \$16,968 for the three months ended June 30, 2022 mainly due to timing of Cybersecurity contracts. For the six months ended June 30, 2023, SaaS and Technology Services revenue accounted for 10% of Total Revenue, as compared to 11% for the six months ended June 30, 2022. For the six months ended June 30, 2023, SaaS and Technology Services revenue increased 8% to \$32,628 compared to \$30,113 during the six months ended June 30, 2022. SaaS and Technology Services revenue includes: (i) revenue from all of the Company's EMR businesses which is primarily high margin recurring revenue; (ii) monthly SaaS revenue from WELL's VirtualClinic+ telehealth platform for health practitioners; (iii) digital app revenue from WELL's apps.health marketplace; (iv) revenue from Billing and RCM Solutions; (v) practice management software revenue; and (vi) cybersecurity revenue.

Adjusted Gross Profit⁽¹⁾ and Adjusted Gross Margin⁽¹⁾

The following table summarizes Adjusted Gross Profit⁽¹⁾ and Adjusted Gross Margin⁽¹⁾ for the three and six months ended June 30, 2023 and 2022:

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	\$'000	\$'000	\$'000	\$'000
Revenue	170,922	140,326	340,347	266,834
Cost of sales (excluding depreciation and amortization)	(80,099)	(64,852)	(163,355)	(121,972)
Adjusted Gross Profit ⁽¹⁾	90,823	75,474	176,992	144,862
Adjusted Gross Margin ⁽¹⁾	53.1%	53.8%	52.0%	54.3%

Note:

(1) This is a non-GAAP financial measure. Refer to section "Consolidated Financial Results" for additional information.

Adjusted Gross Profit⁽¹⁾ increased 20% to \$90,823 for the three months ended June 30, 2023, compared to \$75,474 for the three months ended June 30, 2022. The increase in Adjusted Gross Profit⁽¹⁾ is primarily

due to the higher revenue from CRH and MyHealth for the three months ended June 30, 2023 which also generated higher gross margin percentages. For the six months ended June 30, 2023, Adjusted Gross Profit⁽¹⁾ increased 22% to \$176,992, compared to \$144,862 for the six months ended June 30, 2022.

Adjusted Gross Margin⁽¹⁾ percentage decreased to 53.1% for the three months ended June 30, 2023 compared to 53.8% for the three months ended June 30, 2022. For the six months ended June 30, 2023, the Adjusted Gross Margin decreased to 52.0% from 54.3%. The decrease in Adjusted Gross Margin⁽¹⁾ percentage is driven by the Company's increase in Patient Services revenue which has lower margin than SaaS and Technology Services revenue.

General and Administrative ("G&A") Expenses

The following is a breakdown of the Company's G&A expenses for the three and six months ended June 30, 2023 and 2022:

	Three months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	\$'000	\$'000	\$'000	\$'000
Salaries and benefits	30,808	25,459	59,882	49,259
Professional and consulting fees	5,154	6,351	9,099	11,167
Office expenses	2,880	2,912	6,528	5,994
Marketing and promotion	16,261	10,080	31,460	19,987
Others	5,500	3,067	10,207	5,638
	60,603	47,869	117,176	92,045

G&A expenses increased to \$60,603 and \$117,176 for the three and six months ended June 30, 2023 respectively, compared to \$47,869 and \$92,045 for the three and six months ended June 30, 2022. The increase was primarily due to higher salaries and benefits from increase in headcount, both from acquisitions and at the Company's headquarters, as well as an increase in marketing and promotion expenses to support the Company's growth and M&A activities.

For the three and six months ended June 30, 2023, the Company expensed \$838 and \$1,072 of transaction, restructuring and integration costs related to its M&A activities, compared to \$655 and \$1,531 for the three and six months ended June 30, 2022. The transaction and restructuring costs are included in G&A expenses as professional and consulting fees.

Marketing and promotion expenses increased to \$16,261 and \$31,460 for the three and six months ended June 30, 2023, compared to \$10,080 and \$19,987 for the three and six months ended June 30, 2022. This significant increase is mainly due to Circle Medical's and WISP's marketing expenses during the three and six months ended June 30, 2023.

Stock-based compensation

For the three and six months ended June 30, 2023, the Company recognized \$6,134 and \$12,733 of stock-based compensation expense respectively, compared to \$8,527 and \$13,666 for the three and six months ended June 30, 2022. The decrease in expense is the result of fewer stock options, restricted share units ("RSUs") and performance share units ("PSUs") granted in 2023 compared to 2022. The fair value of the options, RSUs and PSUs, as determined on the date of grant, is recognized as an expense over the vesting periods of such awards. See note 13 of the June 30, 2023 condensed interim consolidated financial statements for further information.

Depreciation and amortization

For the three and six months ended June 30, 2023, the Company recognized \$14,041 and \$28,563 of depreciation and amortization, respectively, mainly related to the right-of-use assets (under IFRS 16) and intangible assets acquired via business combinations and asset acquisitions, as compared to \$13,810 and \$27,185 of depreciation and amortization for the three and six months ended June 30, 2022.

Net interest expense

	Three months ended		Six months ended	
	June 30, 2023 \$'000	June 30, 2022 \$'000	June 30, 2023 \$'000	June 30, 2022 \$'000
Interest on loans and borrowings	4,495	2,285	9,043	4,450
Interest on convertible debt	2,095	1,604	4,190	3,209
Interest accretion	979	1,246	1,925	2,512
Amortization of deferred financing fees	259	119	444	237
Interest expense	7,828	5,254	15,602	10,408
Interest income	(127)	(109)	(315)	(211)
Net interest expense	7,701	5,145	15,287	10,197

For the three and six months ended June 30, 2023, the Company recognized net interest expense of \$7,701 and \$15,287, respectively, as compared to \$5,145 and \$10,197 for the three and six months ended June 30, 2022. Interest expense relates primarily to borrowings under the Company's credit facilities with JP Morgan Chase and the Royal Bank of Canada, convertible debentures, and to interest accretion on lease liabilities and deferred acquisition cost liabilities. The increase in interest expense on loans and borrowings was primarily due to an increase in variable interest rates. Interest accretion on lease and deferred acquisition cost liabilities decreased primarily due to the reduction in deferred acquisition cost liabilities. Cash interest payments for the three and six months ended June 30, 2023 were \$6,499 and \$10,494, respectively, compared to \$4,716 and \$6,844 for the three and six months ended June 30, 2022, respectively. Interest income was mainly related to interest earned on cash and cash equivalents.

Time-based earnout expense

For the three and six months ended June 30, 2023, the Company recognized time-based earnout expense of \$1,476 and \$12,330, respectively, compared to \$4,515 and \$7,036 for the three and six months ended June 30, 2022, respectively. For the six months ended June 30, 2023, the expense was comprised of \$3,377 in relation to earnouts that are recognized over time during post-acquisition requisite service periods, a loss on settlement via shares of \$1,062, and a loss of \$7,891 on the revaluation of the MyHealth deferred acquisition cost liability. For the six months ended June 30, 2022, the expense of \$7,036 related solely to earnouts that are recognized over time during post-acquisition requisite service periods.

During the six months ended June 30, 2023, the Company recognized a loss of \$1,062 on settlement of certain deferred acquisition cost liabilities and time-based earnout liabilities via shares due to differences between the weighted average share price used to calculate the number of shares to be issued and the closing share price on the dates of settlement.

In February 2023, the Company signed an agreement that amended the terms of the MyHealth earnout arrangement and recognized a loss on revaluation of the related deferred acquisition cost liability of \$7,891 during the six months ended June 30, 2023. During the year ended December 31, 2022, the Company recognized a gain of \$27,750 on the revaluation of deferred acquisition cost liabilities. On an aggregate basis, the net gain was \$19,859.

Income tax expense

	Three months ended		Six months ended	
	June 30, 2023 \$'000	June 30, 2022 \$'000	June 30, 2023 \$'000	June 30, 2022 \$'000
Current tax expense	4,634	(100)	7,637	2,709
Deferred tax recovery	(2,745)	(2,298)	(5,556)	(3,154)
Total income tax expense	1,889	(2,398)	2,081	(445)

For the six months ended June 30, 2023, the Company recognized income tax expense of \$2,081 comprised of current tax expense of \$7,637 net of a deferred recovery of \$5,556, as compared to income tax recovery of \$445 for the six months ended June 30, 2022, comprised of a current tax expense of \$2,709 net of a deferred tax recovery of \$3,154. The increase total income tax expense in 2023 was due to a change in mix of income or losses in the Company's legal entities and tax jurisdictions, changes in the timing of recognition of deferred tax assets as well as an overall increase in taxable income. Deferred tax expense is 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. The decrease in deferred tax expense in 2023 related primarily to an increase in deferred tax recoveries on amortization of acquired intangible assets and other adjustments. Cash tax payments, net of refunds, were \$4,649 and \$8,472 for the three and six months ended June 30, 2023, respectively, compared to net cash recoveries of \$1,892 and net tax payments of \$758 for the three and six months ended June 30, 2022, respectively.

Net loss

Net loss for the three and six months ended June 30, 2023 was \$2,016 and \$12,643 respectively, compared to net loss of \$1,244 and \$4,020 for the three and six months ended June 30, 2022.

Quarterly Financial Highlights

The following quarterly financial highlights have been derived from the Company's condensed interim consolidated financial statements and should be read in conjunction with those financial statements and related notes.

	Q2 2023 \$ '000	Q1 2023 \$ '000	Q4 2022 \$ '000	Q3 2022 \$ '000	Restated Q2 2022 \$ '000	Restated Q1 2022 \$ '000	Restated Q4 2021 \$ '000	Restated Q3 2021 \$ '000
Total revenue	170,922	169,425	156,513	145,789	140,326	126,508	115,680	99,291
Net income (loss)	(2,016)	(10,627)	22,084	611	(1,244)	(2,776)	(4,446)	(7,801)
Net income (loss) per share attributable to WELL, basic and diluted (in \$)	(0.03)	(0.06)	0.09	(0.02)	(0.03)	(0.04)	(0.05)	(0.06)
Adjusted Gross Profit ⁽¹⁾	90,823	86,169	80,237	78,192	75,474	69,388	63,483	49,969
Adjusted Gross Margin ⁽¹⁾	53.1%	50.9%	51.3%	53.6%	53.8%	54.8%	54.9%	50.3%
Adjusted EBITDA ⁽¹⁾	27,789	26,683	27,174	27,458	26,434	23,493	25,679	22,275

Note:

(1) This is a non-GAAP financial measure. Refer to section "Consolidated Financial Results" for additional information.

The growth in the Company's quarterly revenue is primarily attributed to acquisitions but also includes organic growth which varies by business unit.

WELL's quarterly revenue is susceptible to seasonality which varies depending on each business unit.

- For the clinic network, the winter months historically have higher patient visits due to increased cases of flu and illness in those months, resulting in an increase in revenue in Q4 and Q1, whereas the summer months of July and August have the least amount of patient visits resulting in lower clinical revenue in those two months.
- For CRH, Q1 is the weakest quarter and Q4 is the strongest seasonal quarter in terms of revenue per procedure, gross margin and EBITDA⁽¹⁾ margins, since many patients with commercial insurance tend to have endoscopic procedures in the latter half of the year, at a time when their deductibles have generally been met.
- Almost all of MyHealth revenue arises from referrals from the physicians, therefore Q2 is the seasonally strongest quarter as there are more working days in Q2 compared to the slowdown in the summer months and around the December holiday season.
- Revenue generated from the Company's WELL EMR Group primarily consists of monthly recurring revenue and is less susceptible to seasonal increases and decreases.

FINANCIAL POSITION

Total assets of the Company as at June 30, 2023 were \$1,271,039 representing a decrease of \$47,992 from \$1,319,031 as at December 31, 2022. The net change related primarily to foreign currency translation of foreign operations, amortization of intangible assets and a lower cash and cash equivalents balance. Lower cash and cash equivalents was mainly due to loan repayment as per financing activities section below.

Total liabilities of the Company as at June 30, 2023 were \$470,362, representing a \$33,418 decrease from \$503,780 as at December 31, 2022. The net change related primarily to loans and borrowings which decreased by \$20,747 from repayments, settlements and foreign currency revaluation made during the period as well as to deferred tax liabilities which decreased by \$7,977 due to changes in temporary differences primarily from amortization of intangible assets.

Net working capital, defined as current assets less current liabilities, was at \$11,451 as at June 30, 2023, compared to \$14,374 at December 31, 2022.

Equity attributable to owners of WELL decreased to \$723,527 as at June 30, 2023, compared to \$732,344 as at December 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES

Sources of liquidity

The Company's principal sources of liquidity are cash provided by operations and access to credit facilities and equity capital resources, including private placement share offerings. The Company's primary near-term cash requirements are to pay operating expenses, fund working capital, service and repay long-term debt and to invest in research and development and technologies for growth initiatives. Cash is also used to finance acquisitions and other long-term strategic business initiatives.

The Company had cash and cash equivalents of \$35,633 as at June 30, 2023 and \$48,908 as at December 31, 2022. Based on its cash position, principal sources of liquidity and operating budget, the Company believes that it will have sufficient liquidity to enable the Company to meet its anticipated operating, debt service, growth, investment and other financial requirements for at least the next twelve months from the date of issuance of this Interim MD&A.

Cash flows

The following table summarizes the Company's cash flows for the six months ended June 30, 2023 and 2022:

	Six months ended	
	June 30, 2023	June 30, 2022
	\$'000	\$'000
Cash provided by operating activities	31,837	32,840
Cash used in investing activities	(6,793)	(24,870)
Cash used in financing activities	(37,860)	(13,011)
Effect of foreign currency on cash and cash equivalents	(459)	247
Net change in cash and cash equivalents	(13,275)	(4,794)
Cash and cash equivalents, beginning of year	48,908	61,919
Cash and cash equivalents, end of year	35,633	57,125

Operating activities

During the six months ended June 30, 2023, the Company generated \$31,837 of cash from operating activities. Comparatively, during the six months ended June 30, 2022, the Company generated \$32,840 cash from operating activities. The net change in cash provided by operating activities was due to an increase in revenue and earnings from both acquired businesses and organic growth offset by an increase in working capital primarily from payment of accounts payable and income taxes.

Investing activities

During the six months ended June 30, 2023, the Company used \$6,793 on investing activities, as compared to \$24,870 for the six months ended June 30, 2022. This included:

- (i) \$3,767 used on the acquisition of property and equipment for the six months ended June 30, 2023 (2022 - \$2,052);
- (ii) \$7,468 used on business and asset acquisitions for the six months ended June 30, 2023 (2022 - \$211);
- (iii) \$1,069 used on equity investments for the six months ended June 30, 2023 (2022 - nil);
- (iv) \$489 used on working capital holdback settlements for the six months ended June 30, 2023 (2022 - \$185);
- (v) \$5,438 used on deferred acquisition cost payments for the six months ended June 30, 2023 (2022 - \$22,422); and
- (vi) partially offset by \$11,438 of cash received from the disposal of investments.

Financing activities

During the six months ended June 30, 2023, the Company used \$37,860 on financing activities compared to \$13,011 for the six months ended June 30, 2022. This included:

- (i) \$16,561 used on the net repayments on its credit facilities, promissory notes and other borrowings for the six months ended June 30, 2023 (2022 - \$28,527);
- (ii) \$14,221 used on the payments to non-controlling interests for the six months ended June 30, 2023 (2022 - \$10,324);
- (iii) \$6,060 used on lease payments for the six months ended June 30, 2023 (2022 - \$4,917); and
- (iv) \$1,925 used on payment of interest on convertible debentures for the six months ended June 30, 2023 (2022 - \$2,310).

The following table summarizes the Company's loans and borrowings:

	June 30, 2023 \$'000	December 31, 2022 \$'000
CRH syndicated credit facility with JPM:		
Revolving loan	96,046	178,394
Term loan	71,000	-
MyHealth and Canadian Clinics syndicated credit facility with RBC:		
Revolving loan	20,400	28,400
Term loan	45,625	46,875
Other loans and borrowings	806	654
Less: Financing fees	(2,150)	(1,849)
Total Loans and Borrowings	231,727	252,474
Current portion	25,288	30,303
Non-current portion	206,439	222,171
Total Loans and Borrowings	231,727	252,474

Credit facilities:

The Company, through its wholly-owned subsidiaries, holds a syndicated four-year revolving credit facility with JPM as syndicate lead which provides up to US\$175 million in borrowing capacity and access to an accordion feature that increases the amount of the credit available to the Company by US\$125 million. On March 27, 2023, the Company amended the credit facility with JPM to (i) convert the existing US\$175 million revolving credit facility into a term loan facility of US\$55 million and a revolving credit facility of US\$120 million, (ii) adjust applicable margin on interest obligations such that interest is calculated with reference to SOFR plus 1.50% to 2.75%, dependant on the total leverage ratio of the consolidated financial results of CRH, and (iii) to amend certain financial covenants and other terms. The new term loan has a US\$688 quarterly repayment requirement with the first repayment paid on March 31, 2023 as well as additional potential repayment requirements based on excess cash flow, dependant on the total leverage ratio of the consolidated financial results of CRH. The amended JPM facility is secured by the assets of CRH and matures on April 22, 2025. As of June 30, 2023, the Company had drawn \$167,046 (US\$126,168) under this facility (Dec 31, 2022 – \$178,394 (US\$131,704)).

The Company, through its wholly-owned subsidiaries, MyHealth and Well Health Clinics Canada ("**WHCC**"), holds a syndicated five-year revolving credit facility and a term loan with the Royal Bank of Canada ("**RBC**") as syndicate lead which provides up to \$90 million revolving facility, a \$50 million term loan facility and access to an accordion feature that increases the amount of the credit available to the Company by \$60 million. Interest on the facility is calculated with reference to CDOR plus 1.50% to 3.25%, dependent on the total funded debt to EBITDA ratio of the consolidated results of MyHealth and WHCC. The RBC facility is secured by the assets of MyHealth and WHCC and matures on July 15, 2026. Under the term loan facility, there is a \$625 quarterly repayment requirement, with the first repayment paid on December 31, 2021. As of June 30, 2023, the Company had drawn \$66,025 under this facility (Dec 31, 2022 – \$75,275).

Debt covenants:

The Company's syndicated credit facilities are subject to certain customary positive and negative covenants, as well as financial covenants based on the consolidated financial results of CRH, MyHealth

and WHCC. The Company was in compliance with all positive, negative and financial covenants and other terms and conditions under its syndicated credit facilities as at June 30, 2023 and December 31, 2022.

Summary of contractual obligations

	<i>Undiscounted payments due by period</i>				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
At June 30, 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred acquisition costs and time-based earnouts	46,104	11,851	23,763	10,490	-
Lease obligations' minimum payments	75,386	12,143	23,576	17,161	22,506
Accounts payable and accrued liabilities	43,588	43,588	-	-	-
Working capital holdbacks	1,098	1,098	-	-	-
Other current and non-current liabilities	16,600	14,799	1,801	-	-
Loans and borrowings	233,877	7,877	186,625	39,375	-
Convertible debentures	83,475	3,850	7,700	71,925	-
	500,128	95,206	243,465	138,951	22,506

Update on prior use of proceeds disclosure

The Company anticipated that it would use the net proceeds from the convertible debentures and the bought deal private placement for future acquisitions, deferred acquisition costs and time-based earnout payments ("DAC/TBE") associated with its acquisitions, interest payments, working capital and general corporate purposes. To date, the Company continues to proceed towards its original business objectives for such funds as follows:

Equity/Debt financing	Date	Purposes	Proposed use of proceeds \$'000	Actual use of proceeds \$'000
Convertible debentures	Nov 2021	Acquisition purposes and debt repayment	52,500	40,705 ⁽¹⁾
Bought deal financing	May 2022	Acquisition purposes and debt repayment	28,000	18,010 ⁽²⁾

Notes:

- (1) Acquisitions of Q4 2022 – CloudPractice, Healthvue, and Focus Mental; Q2 2023 – MCI and Trilium
Payment of 2022 Q1 to Q3 DAC/TBE and Q2 2022 interest on convertible debentures; Q4 2022 DAC/TBE; and Q2 2023 interest on convertible debentures, and DAC/TBE
- (2) Payment of Q4 2022 and Q1 2023 DAC/TBE and Q4 2022 interest on convertible debentures. Remaining amount for future use.

TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's Board of Directors and certain members of the senior executive team. The remuneration of the Company's key management personnel during the three and six months ended June 30, 2023 and 2022 was as follows:

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Salaries ⁽¹⁾	250	220	500	440
Directors' fees	60	120	120	120
Stock-based compensation expense ⁽²⁾	1,960	1,780	3,913	3,186
	2,270	2,120	4,533	3,746

Notes:

- (1) \$125 to CEO, \$63 to CFO and \$62 to COO for the three months ended June 30, 2023; \$113 to CEO, \$62 to CFO and \$45 to COO for the three months ended March 31, 2022.
\$250 to CEO, \$125 to CFO and \$125 to COO for the six months ended June 30, 2023; \$225 to CEO, \$125 to CFO and \$90 to COO for the six months ended June 30, 2022.
- (2) Reflects the amount recorded as an expense in the interim condensed consolidated statements of income (loss). The fair value of stock-based compensation is measured at the grant date using an option pricing model and is recognized as an expense over the vesting period. \$1,207 to CEO, \$274 to CFO, \$123 to COO, and \$356 to the Board of Directors for the three months ended June 30, 2023; and \$967 to CEO, \$481 to CFO, \$148 to COO, and \$184 to the Board of Directors for the three months ended June 30, 2022.
For the six months ended June 30, 2023, \$2,391 to CEO, \$580 to CFO, \$266 to COO, and \$676 to the Board of Directors; and \$1,763 to CEO, \$899 to CFO, \$254 to COO, and \$270 to the Board of Directors for the six months ended June 30, 2022.

During the six months ended June 30, 2023, the Company granted 985,000 RSUs (625,000 to CEO, 50,000 to CFO, 50,000 to COO and 260,000 to Board of Directors), and 225,000 PSUs (125,000 to CEO, 50,000 to CFO 50,000 to COO). During the six months ended June 30, 2022, the Company granted 316,788 RSUs (119,274 to CEO, 47,709 to CFO, 33,396 to COO and 116,409 to Board of Directors), and 200,379 PSUs (119,274 to CEO, 47,709 to CFO, and 33,396 to COO).

Included in other current assets as at June 30, 2023 is \$5,038 (\$2,489 from CEO, \$1,503 from CFO, \$1,046 from COO) and December 31, 2022 is \$4,426 (\$2,489 from CEO, \$857 from CFO, \$1,046 from COO, and \$34 from Board of Directors) of receivables from related parties. These receivables were primarily due to payroll taxes on stock issuance for the related parties.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions concerning its financial future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management also exercises judgment in applying the group's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarized below:

Revenue recognition

Estimates are required in the determination of anesthesia services revenues and the recoverability of the related trade receivables. The Company recognizes anesthesia service revenues, net of contractual adjustments and implicit price concessions, which are estimated based on the historical trend of cash collections and contractual adjustments.

Impairment testing of goodwill and other intangible assets

The Company tests at least annually whether goodwill and indefinite lived intangibles have suffered any impairment, in accordance with the requirements of IAS 36 Impairment of Assets. The

recoverable amounts of cash-generating units (“CGUs”) are determined based on the greater of their fair value less costs of disposal and value in use. These calculations, which include a discounted cash flow model, require the use of estimates.

For the purposes of impairment testing, assets are grouped into CGUs that have been identified as being the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows of other assets or groups of assets. The determination of these CGUs is based on management’s judgment with regards to shared infrastructure, geographical proximity, product type and other relevant factors.

Value in use calculations require management to make certain assumptions, including significant estimates about forecasted revenue levels and growth rates, operating margins, and discount rates. In arriving at its forecasts, the Company considered historical performance, current industry trends, and market opportunities.

Recognition of contingent consideration

In certain acquisitions, purchase consideration may include contingent consideration which is subject to the acquired business achieving certain performance targets. At the date of acquisition and at each subsequent reporting period, the Company estimates the future performance of acquired businesses, which are subject to contingent consideration, in order to assess the probability that the acquired business will achieve its performance targets and thus earn its contingent consideration. Any changes in the fair value of the contingent consideration classified as a liability between reporting periods are included in the determination of net income or loss. Changes in fair value arise as a result of various factors, including the estimated probability of the acquired business achieving its earnings targets.

Initial recognition of right-of-use assets, lease receivable and liability

The preparation of condensed interim consolidated financial statements requires that the Company’s management makes assumptions and estimates on the classification of leases and the right-of-use assets. When assessing the classification of a lease agreement, certain estimates and assumptions need to be made and applied, which include, but are not limited to, the determination of the expected lease term and minimum lease payments, implicit borrowing rate, the assessment of the likelihood of exercising renewal options, annual inflation factor and estimation of the fair value of the lease property at lease inception.

Business combinations

On the completion of business acquisitions, management’s judgment is required to estimate the fair value of purchase consideration and to identify and estimate the fair values of assets, liabilities, and non-controlling interests. The determination of the fair value of assets and liabilities acquired is based on management’s estimates using the excess earnings method and relief from royalty method to value intangible assets using discounted cash flow models. Significant assumptions include revenue growth rates, customer attrition and discount rates.

Hedge accounting

The Company applies judgment when assessing whether a hedging relationship meets the criteria to qualify for hedge accounting and when assessing ongoing hedge effectiveness requirements. Hedge accounting is discontinued when a hedging relationship ceases to meet the qualifying criteria including when the hedging instrument or hedged item ceases to exist as a result of maturity, expiry or termination. The fair values of hedging instruments, which can fluctuate greatly from period to period, are primarily derived from market values adjusted for credit risk. When hedge accounting is not applied to a hedging relationship, the changes in fair value during the period are recognized immediately in

earnings and can result in significant variability in net income (loss).

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets and financial liabilities, including derivatives, are recognized in the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. On initial recognition all financial instruments are recognized at fair value and are subsequently measured based on their classification.

a. Classification of financial instruments

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

	June 30, 2023	December 31, 2022
	\$'000	\$'000
Financial assets at amortized cost		
Cash and cash equivalents	35,633	48,908
Accounts and other receivables	75,411	78,914
Lease receivable	2,805	2,448
Other current and non-current assets	23,829	24,294
	137,678	154,564
Financial assets at fair value through profit or loss ("FVPL")		
Equity and debt investments	6,681	5,636
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	43,588	50,728
Loans and borrowings	231,727	252,474
Deferred acquisition costs	35,389	38,497
Convertible debentures	46,944	44,679
Lease liability	64,805	61,263
Other current and non-current liabilities	17,698	18,233
	440,151	465,874

b. Fair value measurements

The fair value hierarchy establishes three levels to reflect the significance of the inputs used in making the measurements:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any fair value measurements categorized within level 1 of the fair value hierarchy.

Financial instruments carried at amortized cost:

The carrying values of financial instruments carried at amortized cost approximate their fair value, except for the Company's loans and borrowings.

The Company's loans and borrowings, which are mainly comprised of the JPM facility and the RBC facility, are floating rate instruments which are based on SOFR/CDOR plus 1.50% to 3.25% dependent on CRH's total leverage ratio and MyHealth's total funded debt to EBITDA ratio. The Company has estimated the fair value of these financial instruments to be \$167,797 (US\$126,734) for the JPM facility, and \$66,025 for the RBC facility as at June 30, 2023 based on Level 3 unobservable inputs.

Financial instruments carried at fair value:

The investments in Phelix, Twig, Bright, Tap Medical, Tali.ai, Cherry Health, doctorly, Graphium and an anesthesia revenue cycle management organization are classified as financial assets at FVPL. The fair value measurements of the investments are categorized within Level 3 of the fair value hierarchy. As at June 30, 2023 and December 31, 2022, in the absence of observable market data and any facts to suggest otherwise, management concluded that the fair value of the investments approximated the cost.

The Company's derivative financial instruments, including an interest rate swap and foreign currency forward contracts, are classified as financial assets or liabilities at FVPL. The Company's derivative financial instruments, including an interest rate swap and foreign currency forward contracts, are classified as financial assets or liabilities at FVPL. The fair value measurements are categorized within Level 2 of the fair value hierarchy. The fair value measurements are categorized within Level 2 of the fair value hierarchy. The fair value of interest rate swaps is determined by discounting expected future cash flows from the contracts. The future cash flows are determined by measuring the difference between fixed interest payments to be made to the counterparty and floating interest payments to be received based on forward interest rate curves. The fair value of foreign currency forward contracts and swaps is measured using a market approach, based on the difference between contracted foreign exchange rates and quoted forward exchange rates as of the reporting date.

As at June 30 2023, the carrying value of derivative financial instruments was a liability of \$397 (December 31, 2022 - \$369).

c. Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligation. Credit risk arises from the Company's financial assets. The carrying value of the financial assets represents the maximum exposure to credit risk. The Company limits its exposure to credit risk on cash and cash equivalents by placing these financial instruments with high-credit quality financial institutions and only investing in liquid, investment grade securities.

No single customer accounts for more than 10% of the Company's consolidated revenue. The Company establishes an estimate for expected credit losses on accounts receivable if it is determined that all or part of the outstanding balance is uncollectable. Collectability is reviewed regularly and an estimate is established or adjusted, as necessary, using a combination of the specific identification method, historic collection patterns and existing economic conditions. Estimates are subject to change as they are impacted by the nature of collectability, which may involve delays and the current uncertainty in the economy.

The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of performance. The Company's revenue from clinic operations is from billings for insured services paid for by the provincial health authorities. The Company recognizes anesthesia service revenues, net of contractual adjustments and implicit price concessions, which are estimated based on the historical trend of cash collections and contractual adjustments. As a result, anesthesia related receivables reflect the amount the Company expects to receive from patients and third-party insurers at the reporting period end and thus credit risk is considered to be limited.

As at June 30, 2023, the Company had accounts and other receivables of \$75,411 (December 31, 2022 - \$78,914), net of expected credit losses of \$3,462 (December 31, 2022 - \$3,619).

Liquidity risk

Liquidity risk references the Company's ability to meet its financial obligations as they fall due and remain solvent. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. To date, the Company has generated operating losses and net cash outflows from operations, and has relied on equity, convertible debentures, and bank borrowings to fund its operations and acquisitions and will need to continue to secure additional funding for operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that financing will be on terms advantageous to the Company.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to fluctuations in interest rates through variable rate debt obligations under its syndicated credit facilities with JPM and RBC. On March 3, 2023, the Company entered into a three year interest rate swap agreement consisting of a series of pay-fixed interest rate swaps at a fixed interest rate of 4.68% (the hedging instrument) to hedge the variability of the cash flows attributable to changes in 1-month Term SOFR, the benchmark variable interest rate, on US\$50,000 of debt outstanding under JPM credit facility (the hedged item).

On March 3, 2023, the Company designated the interest rate swap in a qualifying hedging relationship and applied hedge accounting as a cash flow hedge in accordance with its accounting policy. During the three and six months ended June 30, 2023, the Company recognized a fair value loss of \$202 in other comprehensive loss in relation to the interest rate swap agreement. The carrying value of the interest rate swap agreement was a liability of \$202 as at June 30, 2023.

With all other variables held constant, a 10% upward movement in the interest rate would have reduced net income by approximately \$875 (2022 – \$197) for the six months ended June 30, 2023. There would be an equal and opposite impact on net income with a 10% downward movement in the interest rate.

Foreign currency risk

The Company is exposed to foreign exchange risk on revenue contracts, purchase contracts and loans and borrowings denominated in currencies other than the currency of the Company's contracting entity. For Canadian operations, this is typically the United States dollar and for U.S. entities, this is typically the Canadian dollar. The Company is also exposed to foreign currency risk on translation of the net assets of its foreign operations to Canadian dollars.

The Company from time-to-time uses foreign currency contracts to manage its exposure to transactions in foreign currencies. These transactions include forecasted transactions and firm

commitments denominated in foreign currencies. The Company does not apply hedge accounting to any of its hedging relationships that involve foreign currency contracts.

On June 30, 2023, the Company had an at maturity variable rate foreign currency forward contract outstanding to sell US\$5,000 on July 6, 2023 if the prevailing CAD/USD spot rate on July 5, 2023 falls outside of a specified rate range. If the prevailing spot rate on July 5, 2023 falls within the specified rate range, no settlement is required. The carrying value of the at maturity variable rate forward contract was a liability of \$195 as at June 30, 2023. On July 4, 2023, the Company unwound the foreign currency forward contract for a loss of \$75.

A 10% upward movement in foreign exchange rates versus the United States dollar would result in approximately \$925 change in the Company's net income for the six months ended June 30, 2023 (excluding impact of foreign currency forward contracts revaluation). There would be an equal and opposite impact on net income with a 10% downward movement in the foreign exchange rate.

WELL's ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") PROGRAM

In 2021, WELL developed and launched its ESG Program which is an integral part of the Company's growth strategy and reflects its ongoing commitment to delivering on its mission, vision, and purpose. In 2022, WELL commenced its ESG strategy implementation, including publishing an inaugural ESG Report and establishment of an ESG committee comprised of key management, to oversee the delivery of WELL's ESG commitments.

The company's ESG strategy has established a number of ESG priorities that support its overall growth strategy:

- **Practitioner support and digital enablement:** To improve health outcomes for patients by supporting the practitioner to provide timely, accessible, and high-quality patient-centered continuous care.
- **Safeguarding Patient Data:** To safeguard the privacy and security of our patient's data while empowering them to leverage their health information.
- **A Healthy Place to Work:** To uphold a culture built on respect that reflects our diverse people and communities we serve, prioritizes health and wellbeing, and empowers our people to be the best they can be.
- **Disciplined Governance and Risk Framework:** Maintaining strong oversight and discipline, including management of risk and compliance, across our business activities.

WELL is a well-diversified, fast-growing digital health and tech-enabled healthcare company delivering on a strong ESG program and building societal value. WELL is a purpose-driven business that aims to transform the world for the better, and as such the Company has embarked on an ongoing ESG program. WELL published the second ESG Report in July 2023. WELL's ESG reports published to date can be found here (esg.well.company).

DISCLOSURE OF OUTSTANDING SHARE DATA

As at August 9, 2023 the Company had the following securities issued and outstanding:

Description of Security	Number of Securities Outstanding	Additional Comments
Common Shares	238,212,389	
Stock Options	2,093,681	Exercisable at prices ranging from \$0.43 to \$3.25
RSUs	5,990,150	
PSUs	3,659,063	
Convertible debentures	7,583,966	
Total, Fully Diluted	257,539,249	

RISKS AND UNCERTAINTIES

The Company's management believes that the following risks are among the most important in order to understand the issues that face its financial performance, business and its approach to risk management:

- 1. The COVID-19 pandemic and other general risks and uncertainty related to natural disasters, pandemics or other catastrophic events** - Catastrophic events in general can have a material impact on the potential continuity of the business. The continued spread of COVID-19 globally could adversely affect our patient care operations, as healthcare providers may have heightened exposure to COVID-19 if an outbreak occurs in their geography. Our ability to provide health care services may be adversely affected or disrupted as a result of changing patient intake patterns and needs as well as reduced availability of physicians and/or support staff. Furthermore, the COVID-19 outbreak could result in adverse effects on our business and operations due to prioritization of clinic resources toward the outbreak or if quarantines and/or restrictions (such as travel restrictions) impede physician, staff or patient movement or interrupt healthcare services. In addition, we rely on third-party service providers to assist us in managing, monitoring and otherwise carrying out aspects of our business and operations, and the outbreak may affect their ability to devote sufficient time and resources to our programs or to travel to sites to perform work for us. Our third-party contract supplier organizations' ability to deliver on a timely basis our required medical and other supplies such as personal protective equipment may also be limited or affected materially. Such events may result in a period of business disruption, reduced operations, any of which could materially affect our business, financial conditions and results of operations. Our ability to serve patients remotely via telehealth services could be affected by technology vulnerabilities and/or glitches that could impede the ability for physicians and patients to access and/or utilize the software reliably.

The spread of COVID-19, which has caused a broad impact globally, may materially affect us economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our common shares.

The global outbreak of COVID-19 continues to evolve rapidly. The extent to which COVID-19 may impact our business, operations and financial performance will depend on future developments, including but not limited to, matters such as (a) the duration and/or severity of the outbreak, (b) government policies, restrictions and requirements as it relates to social distancing, forced quarantines and other requirements, (c) non-governmental influences or challenges such as the failure of banks and/or (d) any kind of ripple effect caused by the substantial economic damage that can be inflicted

on society by a pandemic like COVID-19 such as lawlessness. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

- 2. Business Concentration by region** - The Company processes a significant amount of primary patient services transactions and earns a majority of its revenue stream from two geographic locations, being the Provinces of British Columbia and Ontario, Canada. In the U.S., revenues are spread across 50 states. If economic, regulatory, legislative, or other factors affecting the Company's business were to adversely change, the revenues of the Company would be negatively impacted.
- 3. The Company is reliant on its key personnel** – The Company's success depends substantially on its small number of officers and executives, including Hamed Shahbazi as CEO and Chairman, Eva Fong as CFO, and Amir Javidan as COO. If the Company lost the services of one or more key executive members, its ability to implement its business plan could be severely impaired. The Company's executives and/or workforce are susceptible to COVID-19 related infections and other concerns.
- 4. Cybersecurity** – The Company relies on digital and internet technologies to conduct and expand its operations, including reliance on information technology to process, transmit and store sensitive and confidential data, including protected health information, personally identifiable information, and proprietary and confidential business performance data. As a result, the Company and/or its customers are exposed to risks related to cybersecurity. Such risks may include unauthorized access, use, or disclosure of sensitive information (including confidential patient health records), corruption or destruction of data, or operational disruption resulting from system impairment (e.g., malware). Third parties to whom the Company outsources certain functions, or with whom their systems interface, are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider or partner could harm the Company's business even if the Company does not control the service that is attacked.

The Company's operations depend, in part, on how well it protects networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, damage to hardware, computer viruses, hacking and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. A compromise of the Company's information technology or confidential information, or that of the Company's patients and third parties with whom the Company interacts, may result in negative consequences, including the inability to process patient transactions, reputational harm affecting patient and/or investor confidence, potential liability under privacy, security, consumer protection or other applicable laws, regulatory penalties and additional regulatory scrutiny, any of which could have a material adverse effect on the Company's business, financial position, results of operations or cash flows. As the Company has access to sensitive and confidential information, including personal information and personal health information, and since the Company may be vulnerable to material security breaches, theft, misplaced, lost or corrupted data, programming errors, employee errors and/or malfeasance (including misappropriation by departing employees), there is a risk that sensitive and confidential information, including personal information and personal health information, may be disclosed through improper use of Company systems, software solutions or networks or that there may be unauthorized access, use, disclosure, modification or destruction of such information. The Company's ongoing risk and exposure to these matters is partially attributable to the evolving nature of these threats. There could also be elevated risk associated with cybersecurity matters as a result of COVID-19.

- 5. Use of Open Source Software** – The Company's operations depend, in part, on how it makes use of certain open source software products, such as those utilized by NerdEMR, OSCARprn, KAI, OSCARwest, THT, MedBASE, Indivica, ClearMedica, Juno EMR and OpenHealth. These open source software products are developed by third parties over whom the Company has no control. The Company has no assurances that the open source components do not infringe on the intellectual

property rights of others. The Company could be exposed to infringement claims and liability in connection with the use of these open source software components, and the Company may be forced to replace these components with internally developed software or software obtained from another supplier, which may increase its expenses. The Company has conducted no independent investigation to determine whether the sources of the open source software have the rights necessary to permit the Company to use this software free of claims of infringement by third parties. The developers of open source software may be under no obligation to maintain or update that software, and the Company may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to the Company's services. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications the Company makes to such software may be made available to all downstream users of the software, including its competitors. Open source software licenses may require us to make source code for the derivative works available to the public. In the event that we inadvertently use open source software without the correct license form, or a copyright holder of any open source software were to successfully establish in court that we had not complied with the terms of a license for a particular work, we could be required to release the source code of that work.

- 6. The Company relies on third parties to provide some of its services and its business will be harmed if it is unable to provide these services in a cost-effective manner** - The Company relies heavily on third parties such as its IT and EMR vendors/partners, medical supplies vendors to provide some of its goods and services. If these third parties were unable or unwilling to provide these goods and services in the future due to COVID-19 or other events that cause an anomalous in supply or demand of such goods and services, or provide these goods and services less cost effectively due to inflation, WELL would need to obtain such goods or services from other providers if they are available. This could cause the Company to incur additional costs or cause material interruptions to its business until these goods and services are replaced, if possible.
- 7. Acquisitions and integration of new businesses create risks and may affect operating results** - The Company may acquire additional businesses. The Company's M&A strategy involves a number of risks related to the realization of synergies and overall integration of the Company's operations, including but not limited to, human resources, company culture, product pricing, information technology, data integrity, information systems, business processes and financial management. COVID-19 may affect the ability of the Company to find new attractive acquisition opportunities and/or could impact the Company's ability to execute on the integration of pending acquisition opportunities.
- 8. General Healthcare Regulation** - Healthcare service providers in Canada and the U.S. are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition, accounting treatment and results of operations of these business units. In addition, the Company could incur significant costs in the course of complying with any changes in the regulatory regime. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations or financial performance of the Company. See Risk Factor 1 above for additional commentary on the potential adverse effects of regulation within the context of COVID-19.

- 9. Uncertainty of Liquidity and Capital Requirements** - The future capital requirements of the Company will depend on many factors, including all matters relating to COVID-19 (see Risk Factor 1 above for more information), the number and size of acquisitions consummated (if any), rate of growth of its client base, the costs of expanding into new markets (if any), the growth of the market for healthcare services and the costs of administration. In order to meet such capital requirements, the Company may consider additional public or private financing (including the incurrence of debt and the issuance of additional common shares) to fund all or a part of a particular venture, which could entail dilution of current investors' interest in the Company. There can be no assurance that additional funding will be available or, if available, that it will be available on acceptable terms. There can be no assurance that the Company will be able to raise additional capital if its capital resources are depleted or exhausted. Further, due to regulatory impediments and lack of investor appetite, the ability of the Company to issue additional common shares or other securities exchangeable for or convertible into common shares to finance acquisitions may be restricted.
- 10. Reliance on Physicians and other Healthcare Professionals** - The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unavailable, or unable or unwilling to provide these services in the future due to any sort of reason including infection due to COVID-19, competition from hospitals, and shortage of workers, this would cause interruptions in the Company's business. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in the Company's business and result in lower revenues. As the Company expands its operations, it may encounter difficulty in securing the necessary professional medical and skilled support staff to support its expanding operations. There is currently a shortage of certain physicians in Canada and the U.S. and this may affect the Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.
- 11. Confidentiality of Personal and Health Information** - The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients, whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation in any jurisdiction in which it operates, it could be liable for damages or for criminal fines and/or penalties.
- 12. Directors and Officers May Have Conflicts of Interest** - Certain of the directors and/or officers of the Company may also serve as directors and/or officers of other companies and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company is being made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company.
- 13. The Company Needs to Comply with Financial Reporting and Other Requirements as a Public Company** - The Company is subject to reporting and other obligations under applicable Canadian securities laws and TSX rules, including National Instrument 52-109. These reporting and other obligations place significant demands on the Company's management, administrative, operational and accounting resources. Moreover, any failure to maintain effective internal controls could cause the Company to fail to meet its reporting obligations or result in material misstatements in its consolidated financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed, which could also cause investors to lose confidence in the Company's reported financial information, which could result in a lower trading price of its securities. Management does not expect that the Company's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all

fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Material disruption caused by events of COVID-19 on the business could adversely affect the Company's ability to meet its financial reporting obligations.

14. Reliance on third parties for Real Estate and/or commercial leases that the Company operates in - The Company acts both as a tenant, sub-tenant and a sub-landlord within the context of the commercial spaces that it operates in. The Company does not own real property. There is a risk that these leases may not be renewed at the end of term, and a risk that an alternative location cannot be found. Moreover, these leased properties are managed by third parties and as such there is no assurance that they will be managed and maintained to meet any required environmental and safety standards. There are a number of potential risks related to COVID-19 such as the Company's sub-tenants not paying leases and/or deferring rents and other lease obligations.

15. Technological change - The Company operates in a highly competitive environment where its software and other products and services are subject to rapid technological change and evolving industry standards. The Company's future success partly depends on its ability to acquire, design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry and its customers' increasingly sophisticated needs.

16. Potential for software system, database or network related failures or defects - The Company relies on software systems, databases and networks to process, transmit and store digital information. The Company also relies on technological solutions from a number of vendors and business units to effectively work together in order to deliver its digital solutions and services to its customers. A software bug, failure or defect may negatively impact software systems, databases and networks from operating properly which could result in the inability of our customers from receiving our products for an indeterminate period of time.

17. The Company may be subject to a variety of regulatory investigations, claims, lawsuits, and other proceedings - Due to the nature of the Company's business, including without limitation the Company's public listing, operations in the medical industry, patient services and SaaS and technology services, the Company may be subject to a variety of regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on our business.

18. If there is a change in U.S. federal or state laws, rules, regulations, or in interpretations of such federal or state laws, rules or regulations, our subsidiary may be required to redeem its physician partners' ownership interests in anesthesia companies under the savings clause in its joint venture operating agreements - Our wholly-owned subsidiary, CRH, has operating agreements with its physician partners which contain a savings clause that is triggered upon an adverse governmental action, including a change in U.S. federal or state laws, rules or regulations or an interpretation of such U.S. federal or state laws, rules or regulations (each an "Adverse Governmental Action"). Upon the occurrence of an Adverse Governmental Action, the

savings clause will require divestiture of the physicians' ownership in the anesthesia company and CRH would be required to redeem the physicians' ownership interest. If an Adverse Governmental Action occurs under a particular state's law, CRH would be required to redeem the ownership interests of each physician partner in such state. If an Adverse Governmental Action occurs under U.S. federal law, CRH would be required to redeem the ownership interest of each physician partner in the U.S. The redemption price of each anesthesia company is based upon a predetermined multiple of such anesthesia company's EBITDA, which reflects the fair market value of the redeemed interests. This could impact our cash flow during the redemption period. The redemption occurs over a period of four or five years depending on each applicable operating agreement.

19. Stock market volatility - There can be no assurance that an active and liquid market for the Company's common shares will maintain and investors may find it difficult to resell the common shares. The market price of the Company's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company and its subsidiaries, general economic conditions, legislative changes, the impacts of any short selling activities on supply and demand for the Company's common shares, and other events and factors outside of the Company's control. In addition, stock markets have from time-to-time experienced extreme price and volume fluctuations, which could adversely affect the market price for the Company's common shares. As the Company operates a highly accretive M&A program with acquisitions partly funded by the Company's common shares, a decline in the Company's share price could adversely affect the Company's pace of acquisitions and M&A activity.

20. Changes to payment rates or methods of third-party payors may adversely impact profitability – Changes in payment rates, including U.S. government healthcare programs, changes to the U.S. laws and regulations that regulate payments for medical services, the failure of payment rates to increase as costs increase, or changes to payor mix, could adversely affect operating margins and revenues. The Company provides anesthesia services primarily through fee for service payor arrangements. Under these arrangements, the Company collects fees directly through the entities at which anesthesia services are provided, and assumes financial risks related to changes in third-party reimbursement rates and changes in payor mix. The Company's revenue decreases if the volume or reimbursement decreases, but the expenses may not decrease proportionately. The Company depends primarily on U.S. government, third party commercial and private and governmental third-party sources of payment for the services provided to patients. The amount that the Company receives for our services may be adversely affected by market and cost factors, as well as other factors over which it has no control, including changes to the Medicare and Medicaid payment systems. U.S. health reform efforts at the federal and state levels may increase the likelihood of significant changes affecting U.S. government healthcare programs and private insurance coverage. U.S. Government healthcare programs are subject to, among other things, statutory and regulatory changes, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels and the method of calculating payments or reimbursements, all of which could materially increase or decrease payments that the Company receives from these government programs.

21. Exchange rate and interest rate fluctuations are beyond the Company's control and may have a material adverse effect on the Company's business, operating results, financial position, and profitability – Please refer to the "Financial Instruments" section for a discussion of interest rate risks and foreign currency risks.

22. The Company may write off intangible assets or carrying value may be impaired - The carrying value of our intangible assets is subject to periodic impairment testing. Under current accounting standards, intangible assets are tested for impairment on a recurring basis and WELL may be subject to impairment losses as circumstances change after an acquisition. If WELL records an

impairment loss related to our intangible assets, it could have a material adverse effect on the business, financial condition, results of operations, cash flows and the trading price of our common shares.

23.Impact of current international climate - The conflict between Ukraine and the neighboring countries has led the U.S. to impose certain sanctions on countries such as Russia, Belarus and other involved countries. As such, the Company is undertaking efforts to take the appropriate steps to comply with newly imposed sanctions. As related sanctions regimes expanded to Canada, the UN, and other jurisdictions, the Company is continuously monitoring the rapid changes of all international sanctions and relevant regulatory bodies and are taking reasonable steps to be fully compliant.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedarplus.ca.

FORWARD-LOOKING INFORMATION

Certain statements in this Interim MD&A constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information includes, without limitation: the Company's goals, expected costs, objectives, growth strategies, merger and acquisition program, improving the patient experience, obtaining operational efficiency, improving overall care performance, the intention to be an active acquirer within the healthcare services and digital health technologies, maximizing income potential from health clinics, the acquisition of additional health clinics and technologies, the ability to obtain cost efficiencies and improvements through synergies, the use of technology in the Company's business activities, opportunities to leverage its investments in third party technology platforms, the benefits of using open source based technology solutions, the share purchase agreements in respect of its acquisitions, expectations of future revenue and adjusted gross margins, as well as information with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects the management's current beliefs and are based on information currently available to management.

Forward-looking information involves risks and uncertainties that could cause actual results to differ materially from those contemplated by such information. Factors that could cause such differences include the highly competitive nature of the Company's industry, material adverse consequences of the COVID-19 pandemic, government regulation and funding and other such risk factors described herein and in other disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Company's forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking information. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking information. The factors underlying current expectations are dynamic and subject to change.

Although the forward-looking information contained in this Interim MD&A is based upon what management believes is reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. All forward-looking information in this Interim MD&A is qualified by this cautionary information. Other than specifically required by applicable laws, we are under no obligation and we expressly disclaim any such obligation to update or alter the forward-looking information whether as a result of new information, future events or otherwise except as may be required by law. This forward-looking information is made as of the date of this Interim MD&A.

FUTURE-ORIENTED FINANCIAL INFORMATION

This Interim MD&A contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") including projected 2023 annual revenue and growth, Adjusted EBITDA, and profitability on an Adjusted Net Income basis, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set out in this Interim MD&A. The actual financial results of WELL may vary from the amounts set out or projected herein and such variation may be material. WELL and

its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, WELL undertakes no obligation to update such FOFI. FOFI contained in this Interim MD&A was made as of the date hereof and was provided for the purpose of providing further information about WELL's anticipated future business operations on an annual basis. Readers are cautioned that the FOFI contained in this Interim MD&A should not be used for purposes other than for which it is disclosed herein.