WELL HEALTH TECHNOLOGIES CORP.
ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

BACKGROUND

This Annual Management's Discussion and Analysis ("**Annual MD&A**") for WELL Health Technologies Corp. (TSX: WELL; OTCQX: WHTCF) should be read in conjunction with 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 financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") – see notes 2 and 3 of the December 31, 2022 audited annual consolidated financial statements for further information. **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 Annual MD&A and note 23 of the December 31, 2022 audited annual consolidated financial statements for details.**

This Annual 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 Annual MD&A is March 20, 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.sedar.com.

This Annual 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 in Canada are located within the provinces of British Columbia, Alberta, Ontario and Quebec while its healthcare clinics in the U.S. are located in the state of California.

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 a network of clinics supporting primary care, specialized care, and diagnostics services. In the United States, WELL provides omni-channel healthcare services and solutions targeting specialized markets such as the gastrointestinal market, women's health, primary care and mental disorders. In addition to providing patient services, WELL develops, integrates, and sells its own suite of technology software and 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**"), 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 2,800 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 23,000 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 our 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. WELL Canadian Clinics;
2. US Patient Services; and
3. Virtual Services.

WELL Canadian Clinics

WELL Canadian Clinics is the largest owner-operator of outpatient medical clinics in Canada providing primary care, allied health, specialized care, and diagnostic healthcare services. As of December 31, 2022, the Company had a total of 90 clinics across Canada, consisting of the following operations:

- 23 wholly-owned primary care clinics in the province of British Columbia;
- one majority-owned integrative care clinic in the province of British Columbia known as Spring Medical;
- one diagnostic imaging clinic and one executive health clinic under PTS Pacific Telemedicine Services Inc. ("**False Creek**");
- five wholly-owned clinics in the province of Quebec through ExcelleMD Inc. ("**ExcelleMD**");
- one executive health clinic in the province of Ontario under ExecHealth Inc. ("**ExecHealth**");
- two clinics in the province of Ontario providing primary care services under Uptown Health

Management Inc. ("**Uptown Medical**");
- five clinics providing hemorrhoid treatments using the CRH O'Regan System ("**Banding Clinics**"), located in the Greater Toronto and Vancouver regions;
- one 51% majority stake ownership in SleepWorks Medical Inc. ("**SleepWorks**") operating in British Columbia;
- two clinics as part of the 51% majority stake ownership of Easy Allied Health Corporation ("**Easy Allied**") operating in British Columbia;
- one executive health clinic in the province of Alberta under INLIV ("**INLIV**");
- a wholly-owned clinic in the province of Ontario through Uptown Physical Rehabilitation, Chiropractic and Massage Therapy Centre Inc. ("**Uptown Allied**"); and
- 46 locations across Ontario that are part of the MyHealth Partners Inc. ("**MyHealth**") branded clinics. MyHealth offers primary care consultations both in-person and through telehealth, as well as diagnostic services related to cardiology, women's health, bone/muscle health and cancer diagnostics.

US Patient Services

WELL expanded its patient services business in the United States with the acquisition of CRH in April 2021. CRH delivers specialized care services focused on providing gastroenterologists throughout the United States 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 126 Ambulatory Surgery Centers (ASCs) and GI clinics across 18 states as of December 31, 2022. In addition, the Company operates two primary care clinics under Circle Medical and four banding clinics located in the United States providing hemorrhoid treatments using the CRH O'Regan System. 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.

Virtual Services

The Company's Virtual Services revenue is derived from five key business units: (i) **WELL EMR Group**; (ii) **WELL Digital Apps**; (iii) **Billing and RCM Solutions**; (iv) **WELL Cybersecurity;** and (v) WELL's US based Virtual Services entities including Circle Medical Technologies Inc. ("**Circle Medical**") and Wisp Inc. ("**Wisp**").

WELL EMR Group's growth has been primarily driven by EMR related acquisitions or transactions to date as follows: NerdEMR Services Ltd. ("**NerdEMR**"), OSCARprn – Treatment Solutions Ltd. ("**OSCARprn"**), Kela Atlantic Inc. dba KAI Innovations ("**KAI Innovations**"), OSCARwest EMR Services ("**OSCARwest**"), Trinity Healthcare Technologies ("**THT**"), MedBASE Software Inc. ("**MedBASE**"), Indivica Inc. ("**Indivica**"), ClearMedica Corporation ("**ClearMedica**"), Open Health Software Solutions Inc. ("**Open Health**"), Intrahealth Systems Limited ("**Intrahealth**"), Aware MD Inc. ("**AwareMD**"), Adracare Inc. ("**Adracare**"), and Juno EMR ("**Juno**").

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**").

The WELL Digital Apps business unit includes the acquisitions of Insig Corporation ("**Insig**"), and CognisantMD (referred to as "**Ocean**"). This business unit also encompasses all of the Company's telehealth platforms including Tia Health, VirtualClinic+, VirtuelMed and Circle Medical.

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 51 digital health applications provided by 35 app publishers.

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**") 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.

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. ("**Cycura**"), and Source 44 Consulting Incorporated ("**Source 44**").

In the United States, the Company's Virtual Services revenue is derived from two key businesses: a majority interest in Circle Medical and a majority interest in Wisp. 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. Wisp is an online provider of women's health and e-prescription services.

<u>WELL Ventures</u>

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**"), Focus Mental Wellness Inc. ("**Focus**") (formerly known as Hasu Behavioral Health Inc.), 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

<u>Business combinations and asset acquisitions</u>

On December 1, 2022, the Company increased 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 100% interest in Phymed of Arizona, LLC, also known as Grand Canyon Anesthesia ("**GCA**"), an anesthesia services provider in Arizona, USA which is expected to generate more than US$16 million in annual revenue and US$2 million in shareholder EBITDA. 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.

On March 7, 2022, the Company completed the acquisition and acquired 100% interest in Greater Connecticut Anesthesia Associates, LLC ("**GCAA**"), a gastroenterology anesthesia services provider in Connecticut, USA. The purchase consideration, paid via cash and holdback liability for the acquisition was US$12,500.

Financing activities

On May 19, 2022, the Company completed an equity financing for gross proceeds of $34,513. The financing was structured as a bought deal offering 9,327,765 common shares at a price of $3.70 per share. Share issue costs incurred in connection with this financing were estimated at $2,184.

On November 25, 2021, the Company completed its bought deal offering of $70 million aggregate principal amount of convertible senior unsecured debentures of the Company with a maturity date of December 31, 2026 at a price of one thousand dollars per debenture.

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 DECEMBER 31, 2022

On March 1, 2023, the Company completed the acquisition of 51% interest in Affiliated Tampa Anesthesia Associates, LLC ("**ATAA**") for cash consideration of $6,100 (US$4,535) plus transaction costs.

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 & effort doctors & medical assistants spend on day-to-day administrative tasks.

OUTLOOK

WELL's outlook looks to be very positive and robust for 2023. The Company is poised to achieve significant growth while effectively managing its costs and delivering sustained growth in providing cashflow available to shareholders. Management is pleased to provide the following guidance for 2023:

- Annual revenue between $665 million and $685 million, representing 17% to 20% annual growth as compared to 2022. This revenue guidance only includes announced acquisitions.
- Annual Adjusted EBITDA is expected to increase by more than 10% over 2022 levels and allowing the Company to invest in growth and continue to acquire market share.

WELL's strong organic growth and resilient cash flow profile allows the Company to continue to successfully execute 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, which may come in the form of further acquisitions, debt repayments, share repurchases, and/or to accelerate organic growth.

WELL is expecting to have strong performance in 2023 across all its business units and for the entire Company as a whole. Despite the current geo-political, inflationary, and turbulent economic environment, the Company does not see any material influences or challenges that would impair its ability to deliver solid results in 2023. Many of the key variables inherent in the execution of WELL's business are firmly in its own grasp and not dependent on outside factors.

WELL is a purpose-driven business that aims to transform the world for the better, as such the Company has embarked on an ongoing ESG (Environmental, Social and Governance) program. The Company plans on publishing a report in mid-2023 highlighting WELL's ESG strategy, reporting initiatives and targeted actions.

OVERALL PERFORMANCE

<u>Purchase price allocation finalization and restatement:</u>

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.

SELECTED ANNUAL INFORMATION

The following financial and other information has been summarized from the Company's audited annual consolidated financial statements and supplementary information prepared by management.

Results of Operations:	**Year ended December 31,**		
	2022	2021	2020
		Restated	Restated
	$'000	$'000	$'000
Total revenue	**569,136**	302,324	50,240
Net income (loss)	**18,675**	(31,287)	(3,247)
Net income (loss) attributable to WELL	**1,369**	(44,179)	(3,723)
Earnings (loss) per share attributable to WELL - basic and diluted (in $)	**0.00**	(0.23)	(0.03)

Financial Position:	**As at December 31,**		
	2022	2021	2020
		Restated	Restated
	$'000	$'000	$'000
Cash and cash equivalents	**48,908**	61,919	86,890
Total assets	**1,319,031**	1,287,319	265,609
Total non-current financial liabilities	**367,277**	442,223	23,469
Distributions or cash dividends declared	**-**	-	-

Key Performance Indicators ("KPIs")	**As at December 31,**		
	2022	2021	2020
WELL owned and operated facilities	**90**	82	27
Provide services to ambulatory surgical centers ("ASCs")	**126**	88	-
EMR network clinics	**3,800**	3,000	2,200

Year ended December 31, 2022

During the year ended December 31, 2022, the Company generated revenue of $569,136 as compared to revenue of $302,324 for the year ended December 31, 2021. This increase in revenue is primarily attributable to the Company's acquisitions, most notably from CRH, MyHealth and Wisp which were acquired part way through 2021, and organic growth, most notably from Circle Medical.

During 2022, the Company completed an equity financing raising gross proceeds of $35 million for acquisitions and working capital purposes.

The Company completed 6 business acquisitions (5 wholly-owned and 1 majority-owned) and 2 asset acquisitions in 2022. In total, the Company paid $16,506 in cash (net of cash acquired) related to these acquisitions. Please refer to Note 23 of audited annual consolidated financial statements for the year ended December 31, 2022 for additional information. Goodwill and intangible assets that arose from these acquisitions totaled $41,155. The Company paid $31,341 in cash for deferred acquisition costs during the year.

The Company disposed of a subsidiary and recognized a gain of $5,206 during the year ended December

31, 2022. Cash proceeds received on this sale were $16,510.

Net income under IFRS for the year ended December 31, 2022 was $18,675 compared to a net loss of $31,287 for the year ended December 31, 2021. The increase in net income was primarily due to higher operating income, a gain on the revaluation of a deferred acquisition cost liability, a gain on the sale of a subsidiary and an income tax recovery partially offset by higher interest expense.

Year ended December 31, 2021

During the year ended December 31, 2021, the Company generated revenue of $302,324 as compared to revenue of $50,240 during the year ended December 31, 2020. This increase in revenue is primarily attributable to the Company's acquisitions.

During 2021, the Company completed one round of equity financing and one round of debt financing raising total gross proceeds of $373 million. Proceeds raised from equity financing completed in February 2021 were used to fund the acquisition of CRH in April 2021.

The Company completed 13 business acquisitions (10 wholly-owned and 3 majority-owned), including CRH in April 2021 and MyHealth in July 2021, and 9 asset acquisitions. In total, the Company paid $466,976 in cash (net of cash acquired) related to these acquisitions. Goodwill and intangible assets that arose from these acquisitions totaled $905,264. The Company paid $1,457 in deferred acquisition costs during the year.

The Company made four equity investments (one of which the Company held 20% interest) and two debt investments.

Net loss under IFRS for the year ended December 31, 2021 was $31,287 compared to a net loss of $3,247 for the year ended December 31, 2020. The increase in net loss was primarily due to an increase in amortization expense on acquired intangible assets, interest expense, time-based earnout expense and income tax expense.

Consolidated Financial Results

The following table provides selected annual and quarterly financial information for the years ended December 31, 2022 and 2021. 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**.

	Year ended		Quarter ended		
	December 31, 2022	December 31, 2021 Restated	**December 31, 2022**	September 30, 2022	December 31, 2021 Restated
	$'000	$'000	**$'000**	$'000	$'000
Revenue	**569,136**	302,324	**156,513**	145,789	115,680
Cost of sales (excluding depreciation and amortization)	**(265,845)**	(148,629)	**(76,276)**	(67,597)	(52,197)
Adjusted Gross Profit[(1)]	**303,291**	153,695	**80,237**	78,192	63,483
Adjusted Gross Margin[(1)]	**53.3%**	50.8%	**51.3%**	53.6%	54.9%
Adjusted EBITDA[(1)]	**104,559**	60,363	**27,174**	27,458	25,679
Net income (loss)	**18,675**	**(31,287)**	**22,084**	**611**	**(4,446)**
Adjusted Net Income [(1)]	**53,704**	16,353	**12,493**	14,753	10,099
Earnings (loss) per share, basic and diluted (in $)	**0.00**	**(0.23)**	**0.09**	**(0.02)**	**(0.05)**
Adjusted Net Income per share, basic and diluted (in $) [(1)]	**0.24**	0.09	**0.05**	0.07	0.05
Weighted average number of common shares outstanding, basic and diluted	**220,691,471**	190,900,309	**229,505,226**	226,783,493	208,101,672
Reconciliation of net income (loss) to Adjusted EBITDA:					
Net income (loss) for the period	**18,675**	(31,287)	**22,084**	611	(4,446)
Depreciation and amortization	**55,203**	38,710	**14,100**	13,918	13,687
Income tax expense (recovery)	**(1,150)**	5,802	**(3,684)**	2,979	1,350
Interest income	**(649)**	(555)	**(238)**	(200)	(70)
Interest expense	**25,291**	9,009	**7,761**	7,122	4,059
Rent expense on finance leases	**(9,176)**	(5,474)	**(2,458)**	(2,339)	(1,899)
Stock-based compensation	**24,483**	21,012	**4,934**	5,883	4,263
Foreign exchange loss	**670**	4,749	**61**	1,088	283
Time-based earnout expense	**(15,767)**	5,085	**(25,472)**	2,669	1,805
Gain on disposal of subsidiaries	**(5,206)**	-	**34**	(5,240)	-
Share of net loss of associates	**396**	209	**(37)**	195	56
Revenue precluded from recognition under IFRS 15 [(2)]	**-**	3,110	**-**	-	3,110
Loss on transition of billings service provider [(3)]	**8,495**	-	**8,495**	-	-
Transaction, restructuring and integration costs expensed	**2,494**	9,993	**192**	772	3,481
Other items	**800**	-	**1,402**	-	-
Adjusted EBITDA[(1)]	**104,559**	60,363	**27,174**	27,458	25,679
Attributable to WELL shareholders	**76,613**	41,968	**21,090**	20,240	17,811
Attributable to Non-controlling interests	**27,946**	18,395	**6,084**	7,218	7,868
Adjusted EBITDA[(1)]					
WELL Corporate	**(16,750)**	(13,208)	**(4,086)**	(4,623)	(3,978)
Canada and others	**32,453**	16,228	**9,094**	9,877	5,155
US operations	**88,856**	57,343	**22,166**	22,204	24,502
Adjusted EBITDA[(1)] attributable to WELL shareholders					
WELL Corporate	**(16,750)**	(13,208)	**(4,086)**	(4,623)	(3,978)
Canada and others	**31,679**	15,371	**8,916**	9,631	4,933
US operations	**61,684**	39,805	**16,260**	15,232	16,856
Adjusted EBITDA[(1)] attributable to Non-controlling interests					
Canada and others	**774**	857	**178**	246	222
US operations	**27,172**	17,538	**5,906**	6,972	7,646
Reconciliation of net income (loss) to Adjusted Net Income:					
Net income (loss) for the period	**18,675**	(31,287)	**22,084**	611	(4,446)
Amortization of intangible assets	**42,819**	31,325	**11,001**	10,620	10,552
Time-based earnout expense	**(15,767)**	5,085	**(25,472)**	2,669	1,805
Stock-based compensation	**24,483**	21,012	**4,934**	5,883	4,263
Revenue precluded from recognition under IFRS 15 [(2)]	**-**	3,110	**-**	-	3,110
Other items	**800**	-	**1,402**	-	-
Non-controlling interest included in net income (loss)	**(17,306)**	(12,892)	**(1,456)**	(5,030)	(5,185)
Adjusted Net Income [(1)]	**53,704**	16,353	**12,493**	14,753	10,099
Adjusted Net Income per share [(1)]	**0.24**	0.09	**0.05**	0.07	0.05

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, Adjusted Gross Margin, and Adjusted Free Cash Flow. 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 (ii) before transaction, restructuring, and integration costs, time-based earn-out expense, change in fair value of investments, share of 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** 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.

(2) For the quarter and year ended December 31, 2021, the Company was precluded from recognizing certain potential patient services revenue under IFRS 15 - Revenue from contracts with customers. IFRS 15 requires that certain conditions be met in order to recognize revenue, including that it is probable that the Company will collect the amount recognized, which is based upon a customer's ability and intention to pay. The Company determined that there was insufficient certainty regarding a customer's intent to pay $3,110 and therefore did not recognize the revenue. The Company has an agreement setting fixed reimbursement rates for the provision of anesthesia services for which collections have not been received as a result of what the Company believes to be an administrative issue. The Company will recognize these amounts as revenue only if and when they are ultimately collected.

(3) In the quarter ended December 31, 2021, the Company's wholly-owned subsidiary, CRH, entered into a relationship with a new billing service provider. Due to the one-time implementation and transition of billings from the previous billing service provider to the new billing service provider, CRH experienced significant delays in its cash collections, including delays in and non-payment of accounts receivable relating to those services billed and collected by the billing service providers. Subsequently, the predecessor billing service provider has also become inoperative. As a result of this transition, CRH incurred credit losses on accounts receivable billed under the predecessor billing provider and was precluded from recognizing certain patient services revenue under IFRS 15 due to the temporary decline in the pace of historical collection activity. The loss of $8,495 has been excluded from the calculation of Adjusted EBITDA for the year ended December 31, 2022 as the Company believes this is non-recurring and not reflective of ongoing operations.

DISCUSSION OF OPERATIONS

Revenue

The following table shows a breakdown of revenue for the years ended December 31, 2022 and 2021:

	Years ended			
	December 31, 2022		December 31, 2021	
	$'000		$'000	
Public insured	**180,066**	**32%**	96,510	32%
Non-public and other	**196,720**	**34%**	130,167	43%
Omni-channel Patient Services	**376,786**	**66%**	226,677	75%
Virtual Services	**192,350**	**34%**	75,647	25%
Total Revenue	**569,136**	**100%**	302,324	100%

For the year ended December 31, 2022, the Company generated revenue of $569,136, an increase of 88%, compared to revenue of $302,324 for the year ended December 31, 2021. The increase in revenue is primarily attributable to the Company's organic growth and acquisitions, most notably from a full year of revenue in 2022 from CRH, MyHealth and Wisp and growth at Circle Medical.

Omni-channel Patient Services revenue, which comprises WELL Canadian Clinics and US Patient Services (formerly known as CRH) business units, accounted for 66% of total revenue for the year ended December 31, 2022, compared to 75% of total revenue for the year ended December 31, 2021. Omni-channel Patient Services revenue increased 66% to $376,786 during the year ended December 31, 2022, compared to $226,677 for the year ended December 31, 2021, primarily due to the Company's acquisitions, including a full year of revenue from CRH and MyHealth in 2022, and from organic growth in the Company's other Canadian clinics.

Omni-channel Patient Services revenue is derived from in-person clinic visits as well as online consultations/bookings available via telehealth platforms. Omni-channel Patient Services revenue, consisting of both public insured and 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 or federal health authorities. Non-public and other 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.

Virtual Services revenue accounted for 34% of total revenue for the year ended December 31, 2022, as compared to 25% for the year ended December 31, 2021. Virtual Services revenue increased 154% to $192,350 during the year ended December 31, 2022, compared to $75,647 during the year ended December 31, 2021. Virtual Services revenue includes: (i) revenue from all of the Company's EMR businesses which is primarily high margin recurring revenue; (ii) telehealth services revenue from WELL's telehealth programs: Tia Health virtual marketplace, Circle Medical and Wisp; (iii) monthly SaaS revenue from WELL's VirtualClinic+ telehealth platform for health practitioners; (iv) digital app revenue from WELL's apps.health marketplace; (v) revenue from the Company's DoctorCare and Doctor Services billing and RCM software and services; (vi) practice management software revenue from Adracare; (vii) revenue from the Company's Ocean platform; and (viii) cybersecurity revenue from the Company's Source 44 and Cycura businesses. The increase in 2022 compared to 2021 related primarily to organic growth at Circle Medical and a full year of revenue from Wisp and CognisantMD (the Company's Ocean platform).

Adjusted Gross Profit[1] and Adjusted Gross Margin[1]

The following table summarizes Adjusted Gross Profit[1] and Adjusted Gross Margin[1] for the years ended December 31, 2022 and 2021:

	Years ended	
	December 31, 2022	December 31, 2021
	$'000	$'000
Revenue	**569,136**	302,324
Cost of sales (excluding depreciation and amortization)	**(265,845)**	(148,629)
Adjusted Gross Profit[1]	**303,291**	153,695
Adjusted Gross Margin[1]	**53.3%**	50.8%

Note:

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

Adjusted Gross Profit increased 97% to $303,291 for the year ended December 31, 2022, compared to $153,695 for the year ended December 31, 2021. The increase in Adjusted Gross Profit[1] is primarily due to the Company's acquisitions and organic growth.

Adjusted Gross Margin percentage increased to 53.3% for the year ended December 31, 2022 compared to 50.8% for the year ended December 31, 2021. The increase in Adjusted Gross Margin[1] percentage is driven by an increase in the revenue contribution from higher margin WELL Digital Apps businesses Circle Medical, Wisp and CognisantMD in the year ended December 31, 2022.

General and Administrative ("G&A") Expenses

The following is a breakdown of the Company's G&A expenses for the years ended December 31, 2022 and 2021:

	Years ended	
	December 31, 2022	December 31, 2021
	$'000	$'000
Salaries and benefits	**100,352**	52,178
Professional and consulting fees	**17,481**	19,313
Office expenses	**12,317**	5,268
Marketing and promotion	**47,695**	15,775
Others	**21,778**	9,976
	199,623	102,510

G&A expenses increased 95% to $199,623 for the year ended December 31, 2022, compared to $102,510 for the year ended December 31, 2021. The increase was primarily due to higher salaries and benefits from an 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. The Company has established several shared services cost centers at its headquarters to support its various clinics and subsidiary operations and the increase in headcount relates to the growing volume and scope of shared service activities. The Company also recorded a credit loss of $6,608 in relation to transition of a billing service provider which has been included under Others in the table above.

For the year ended December 31, 2022, the Company incurred $2,494 of transaction, restructuring and integration costs related to its M&A activities, compared to $9,993 for the year ended December 31, 2021. The transaction, restructuring and integration costs are included in G&A expenses as professional and consulting fees.

Marketing and promotion expenses increased 202% to $47,695 for the year ended December 31, 2022, compared to $15,775 for the year ended December 31, 2021. This significant increase is mainly due to a full year and growth in 2022 at Circle Medical and Wisp which require a higher marketing effort than other businesses.

Stock-based compensation

For the year ended December 31, 2022, the Company recognized $24,483 of stock-based compensation expense, compared to $21,012 for the year ended December 31, 2021. The increase in expense is the result of stock options, restricted share units ("**RSUs**") and performance share units ("**PSUs**") issued in 2022 and 2021 to the Company's growing number of employees. The fair value of the stock 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 20 of the December 31, 2022 audited annual consolidated financial statements for further information.

Depreciation and amortization

	Year ended	
	December 31, 2022	December 31, 2021
	$'000	$'000
Depreciation of right-of-use assets	**8,070**	4,896
Depreciation of property and equipment	**4,314**	2,489
Amortization of intangible assets	**42,819**	31,325
	55,203	38,710

For the year ended December 31, 2022, the Company recognized depreciation and amortization expense of $55,203, compared to $38,710 for the year ended December 31, 2021. Depreciation expense relates to right-of-use assets and other property and equipment and increased year-over-year due to the Company's acquisitions, most notably from a full year of depreciation at MyHealth. Amortization expense relates to acquired intangible assets and the increase corresponds directly to the number and timing of acquisitions that the Company completed during 2022 and 2021.

Net interest expense

	Years ended	
	December 31, 2022	December 31, 2021
	$'000	$'000
Interest on loans and borrowings	**12,547**	5,290
Interest on convertible debt	**7,205**	641
Interest accretion	**5,016**	2,808
Amortization of deferred financing fees	**523**	270
Interest expense	**25,291**	9,009
Interest income	**(649)**	(555)
Net interest expense	**24,642**	8,454

For the year ended December 31, 2022, the Company recognized net interest expense of $24,642, as compared to $8,454 for the year ended December 31, 2021. 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 was primarily due to the Company's credit facilities being outstanding for a full year in 2022 compared to only a partial year in 2021, as well as an increase in variable interest rates. Interest accretion on lease and deferred acquisition cost liabilities increased primarily due to acquisitions. Cash interest payments were $16,073 for the year ended December 31, 2022 compared to $4,718 for the year ended December 31, 2021. Interest income was mainly related to interest earned on cash and cash equivalents.

Time-based earnout expense

For the year ended December 31, 2022, the Company recognized a time-based earnout recovery of $15,767, comprised of a gain of $27,750 on the revaluation of deferred acquisition cost liability in relation to the MyHealth earnout that was recognized at fair value as a component of purchase consideration at acquisition date and time-based earnout expense of $11,983 in relation to earnouts that are recognized over time during post-acquisition requisite service periods, as compared to a time-based earnout expense of $5,085 for the year ended December 31, 2021.

In February 2023, the Company signed an agreement that amended the terms of the MyHealth earnout arrangement and expects to recognize a loss of approximately $7,890 during the three months ended March 31, 2023 based on a subsequent revaluation of the liability. On an aggregate basis, the net gain on the revaluation of the deferred acquisition cost liability relating to MyHealth is expected to be $19,860 after the subsequent adjustment.

Income tax expense

	Year ended	
	December 31, 2022	December 31, 2021
	$'000	$'000
Current tax expense	**2,880**	5,710
Deferred tax (recovery) expense	**(4,030)**	92
Total income tax (recovery) expense	**(1,150)**	5,802

Income tax recovery for the year ended December 31, 2022 was $1,150, comprised of current tax expense of $2,880 net of a deferred tax recovery of $4,030, as compared to income tax expense of $5,802 for the year ended December 31, 2021, comprised of current tax expense of $5,710 and deferred tax expense of

$92. The decrease in current tax expense in 2022 related to the Company's change in mix of income or losses in different legal entities and tax jurisdictions. 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 2022 related primarily to an increase in deferred tax recoveries on amortization of acquired intangible assets. Cash tax payments, net of refunds, were $5,294 for the year ended December 31, 2022 compared to net tax refunds of $271 for the year ended December 31, 2021.

Net income (loss)

Net income for the year ended December 31, 2022 was $18,675, compared to a net loss of $31,287 for the year ended December 31, 2021.

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.

	Q4 2022 $ '000	Q3 2022 $ '000	Restated Q2 2022 $ '000	Restated Q1 2022 $ '000	Restated Q4 2021 $ '000	Restated Q3 2021 $ '000	Restated Q2 2021 $ '000	Restated Q1 2021 $ '000
Total revenue	156,513	145,789	140,326	126,508	115,680	99,291	61,793	25,560
Net income (loss)	22,084	611	(1,244)	(2,776)	(4,446)	(7,801)	(11,520)	(7,520)
Net income (loss) per share attributable to WELL, basic and diluted (in $)	0.09	(0.02)	(0.03)	(0.04)	(0.05)	(0.06)	(0.08)	(0.05)
Adjusted gross profit (1)	80,237	78,192	75,474	69,388	63,483	49,969	30,204	10,039
Adjusted gross margin (1)	51.3%	53.6%	53.8%	54.8%	54.9%	50.3%	48.9%	39.3%
Adjusted EBITDA (1)	27,174	27,458	26,434	23,493	25,679	22,275	11,882	527

	As at quarter ended				
Other KPIs:	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
WELL owned and operated facilities	90	85	82	83	82
Provide services to ambulatory surgical centers ("ASCs")	126	126	91	90	88
EMR network clinics	3,800	3,300	3,300	3,100	3,000

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 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.

Fourth Quarter

Revenue for the fourth quarter ended December 31, 2022 was $156,513, an increase of 35% compared to revenue of $115,680 in the fourth quarter ended December 31, 2021 and an increase of 7% compared to revenue of $145,789 in the third quarter ended September 30, 2022. The increase in revenue was mainly driven by acquisitions, seasonally strong patient visits in the Company's primary care business and healthy organic growth of the Company's virtual services businesses.

Adjusted Gross Profit for the fourth quarter ended December 31, 2022 was $80,237, an increase of 26% compared to Adjusted Gross Profit of $63,483 in the fourth quarter ended December 31, 2021 and an increase of 3% compared to Adjusted Gross Profit of $78,192 in the third quarter ended September 30, 2022. The increase in Adjusted Gross Profit was mainly the result of acquisitions. Adjusted Gross Margin percentage for the fourth quarter ended December 31, 2022 decreased to 51.3% compared to Adjusted Gross Margin percentage of 54.9% in the fourth quarter ended December 31, 2021 and 53.6% in the third quarter ended September 30, 2022.

G&A expenses increased to $58,852 for the fourth quarter ended December 31, 2022, compared to $43,785 and $48,726 for the fourth quarter ended December 31, 2021 and the third quarter ended September 30, 2022, respectively. The increases were primarily due to an increase in salary and benefits from additional headcount as a result of acquisitions and at the Company's headquarters, and a credit loss of $6,608 in relation to transition of a billings service provider in the fourth quarter ended December 31 2022.

For the fourth quarter ended December 31, 2022, the Company incurred $192 of transaction and integration costs related to its M&A activities, compared to $3,481 and $772 for the fourth quarter ended December 31, 2021 and the third quarter ended September 30, 2022, respectively. The transaction and integration costs are included in G&A expenses as professional and consulting fees.

For the fourth quarter ended December 31, 2022, the Company recognized $4,934 of stock-based compensation expense, compared to $4,263 and $5,883 for the fourth quarter ended December 31, 2021 and the third quarter ended September 30, 2022, respectively.

During the fourth quarter ended December 31, 2022, the Company completed the acquisition of an incremental 30% interest of Focus, bringing its cumulative ownership interest to 51% and thereby acquired control of Focus. Upon the acquisition, the carrying value of the investment was adjusted to fair value and an unrealized loss of $320 was recognized through the consolidated statement of income (loss).

Depreciation and amortization for the quarter ended December 31, 2022 was $14,100 compared to $13,687 for the fourth quarter ended December 31, 2021 and $13,918 for the third quarter ended September 30, 2022.

Net income for the fourth quarter was $22,084, compared to a net loss of $4,446 recorded in the fourth quarter ended December 31, 2021 and net income of $611 recorded in the third quarter ended September 30, 2022.

FINANCIAL POSITION

Total assets of the Company as at December 31, 2022 were $1,319,031, representing a $31,712 increase from $1,287,319 as at December 31, 2021. The change related primarily to goodwill which increased by $27,741 due to business and asset acquisitions that took place in 2022 and foreign exchange translation, net of the impact from disposal of a subsidiary. Total current assets also increased by $8,541 mainly due to higher accounts receivable partially offset by lower cash balances.

Total liabilities of the Company as at December 31, 2022 were $503,780, representing a $75,783 decrease from $579,563 as at December 31, 2021. The decrease related primarily to loans and borrowings as well as deferred acquisition cost liabilities which decreased by $46,565 and $47,106, respectively, due to repayments, settlements and revaluation made during the year. These decreases were partially offset by an increase in accounts payable and accrued liabilities of $12,015 and other net changes.

Net working capital, defined as current assets less current liabilities increased to $14,374 as at December 31, 2022, compared to $4,996 at December 31, 2021.

Equity attributable to owners of WELL as at December 31, 2022 increased to $732,344 as at December 31, 2022, compared to $617,845 as at December 31, 2021. The net increase of $114,499 was mainly due to the issuance of shares in a private placement, in business combinations and for settlement of deferred acquisition costs and time-based earnout liabilities. There was also an increase from foreign currency translation of foreign operations and an increase in net income attributable to WELL for the year ended 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 $48,908 as at December 31, 2022 and $61,919 as at December 31, 2021. 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 Annual MD&A.

Cash flows

The following table summarizes the Company's cash flows for the years ended December 31, 2022 and 2021:

	Years ended	
	December 31, 2022	December 31, 2021
	$'000	$'000
Cash provided by operating activities	**76,546**	22,268
Cash used in investing activities	**(37,926)**	(499,778)
Cash provided by (used in) financing activities	**(52,847)**	452,530
Effect of foreign currency on cash and cash equivalents	**1,216**	9
Net change in cash and cash equivalents	**(13,011)**	(24,971)
Cash and cash equivalents, beginning of year	**61,919**	86,890
Cash and cash equivalents, end of year	**48,908**	61,919

Operating activities

During the year ended December 31, 2022, the Company generated $76,546 of cash from operating activities. Comparatively, during the year ended December 31, 2021, the Company generated $22,268 of cash from operating activities. The increase in cash provided by operating activities was due to an increase in revenue and earnings from both acquired businesses and organic growth partially offset by an increase in working capital primarily from higher accounts and other receivable.

Investing activities

During the year ended December 31, 2022, the Company used $37,926 on investing activities, as compared to $499,778 for the year ended December 31, 2021. This included:

- (i) $6,404 used on the acquisition of property and equipment for the year ended December 31, 2022 (2021 - $2,682);
- (ii) $16,506 used on business and asset acquisitions for the year ended December 31, 2022 (2021 - $466,976, mainly related to CRH transactions);
- (iii) $16,510 received for proceeds on the disposal of WFAA for the year ended December 31, 2022 (2021 – nil);
- (iv) $185 used on working capital holdback settlements for the year ended December 31, 2022 (2021 - $5,651); and
- (v) $31,341 used on deferred acquisition cost payments for the year ended December 31, 2022 (2021 - $1,457).

Financing activities

During the year ended December 31, 2022, the Company used $52,847 on financing activities compared to generating $452,530 for the year ended December 31, 2021. The Company completed a private placement in May 2022 and raised gross proceeds of $34,513. The Company used cash of $49,208 for net repayments on its credit facilities, promissory notes and other borrowings during the year ended December 31, 2022, as compared to generating cash of $106,223 from net borrowings under its credit facilities and $66,110 from net proceeds upon the issuance of convertible debentures during the year ended December 31 2021.

Loans and Borrowings

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

	December 31, 2022 $'000	December 31, 2021 $'000
CRH syndicated credit facility with JPM:		
Revolving loans	**178,394**	206,479
MyHealth and Canadian Clinics syndicated credit facility with RBC:		
Revolving loans	**20,400**	23,400
Term loan	**54,875**	49,375
Promissory notes	**-**	20,000
Other loans and borrowings	**654**	1,401
Less: Financing fees	**(1,849)**	(1,616)
Total Loans and Borrowings	**252,474**	299,039

Credit facilities:

The Company, through wholly-owned subsidiaries CRH Medical Corporation (Canada) and CRH Medical Corporation (Delaware) holds a syndicated four-year revolving credit facility with JPMorgan Chase ("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. Interest on the facility is calculated with reference to SOFR plus 1.25% to 2.5%, dependent on the total leverage ratio of the consolidated results of CRH. The JPM facility is secured by the assets of CRH and matures on April 22, 2025. Under the JPM facility, there are no quarterly or annual repayment requirements. As of December 31, 2022, the Company had drawn $178,394 (US$131,704) under this facility (2021 – $206,479 (US$162,864)).

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 an 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 December 31, 2022, the Company had drawn $75,275 under this facility (2021 – $72,775).

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 December 31, 2022 and 2021.

Summary of contractual obligations

		Undiscounted payments due by period			
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
At December 31, 2022	**$'000**	$'000	$'000	$'000	$'000
Deferred acquisition costs and time-based earnouts	**50,400**	25,211	19,712	5,477	-
Lease obligations' minimum payments	**73,194**	11,523	20,346	16,755	24,570
Accounts payable and accrued liabilities	**50,728**	50,728	-	-	-
Working capital holdbacks	**1,207**	1,207	-	-	-
Other current and non-current liabilities	**17,026**	16,282	744	-	-
Loans and borrowings	**254,045**	2,809	5,060	246,176	-
Convertible debentures	**85,400**	3,850	7,700	73,850	-
	532,000	**111,610**	**53,562**	**342,258**	**24,570**

Update on prior use of proceeds disclosure

The Company anticipated that it would use the net proceeds from the convertible debentures and 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	20,000	4,273 (1)
		Debt repayment	32,500	32,500 (2)
Bought deal financing	May 2022	Acquisition purposes	10,000	- (4)
		Debt repayment	18,000	7,982 (3)

Notes:
(1) Acquisitions of Q4 2022 – CloudPractice, Healthvue, Focus Mental
(2) Payment of 2022 Q1 to Q3 TBE and DAC and Q2 2022 interest on convertible debentures; and Q4 2022 DAC and TBE.
(3) Payment of Q4 2022 TBE and DAC and interest on convertible debentures. Remaining amount for future use.
(4) 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. During the fourth quarter of 2021, the Company re-evaluated the classification of certain employees as key management personnel due to continued growth and organizational changes, resulting in an overall reduction in the number of persons considered to be key management personnel. Starting the fourth quarter of 2021, key management personnel are the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Chief Operating Officer ("COO"). The remuneration of the Company's key management personnel during the years ended December 31, 2022 and 2021 was as follows:

	Years ended	
	December 31, 2022	December 31, 2021
	$'000	$'000
Salaries(1)	**950**	360
Directors' fees	**240**	-
Stock-based compensation expense(2)	**5,339**	3,261
	6,529	3,621

Notes:

(1) $450 to CEO, $250 to CFO and $250 to COO for the year ended December 31, 2022; $180 to CFO and $180 to COO for the year ended December 31, 2021.

(2) Reflects the amount recorded as an expense in the audited annual 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. $2,874 to CEO, $1,431 to CFO, $457 to COO, and $577 to the Board of Directors for the year ended December 31, 2022; and $1,726 to CEO, $954 to CFO, $326 to COO, and $255 to the Board of Directors for the year ended December 31, 2021.

During the year ended December 31, 2022, the Company granted 339,771 RSUs (119,274 to CEO, 47,709 to CFO, 33,396 to COO and 139,392 to Board of Directors), 200,379 PSUs (119,274 to CEO, 47,709 to CFO and 33,396 to COO) and 100,000 stock options (all to Board of Directors). For the year ended December 31, 2021 – 537,500 RSUs, 475,000 PSUs and nil options were granted to members of key management personnel and Board of Directors.

Included in other current assets as at December 31, 2022 and December 31, 2021 is $4,426 ($2,489 from CEO, $857 from CFO, $1,046 from COO, and $34 from Board of Directors) and $2,550, respectively, of receivables from related parties. These receivables were primarily due to payroll tax on stock issuance with respect to the RSUs 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 audited annual 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.

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:

Financial assets at amortized cost	**December 31, 2022 $'000**	December 31, 2021 $'000
Cash and cash equivalents	**48,908**	61,919
Accounts and other receivables	**78,914**	66,020
Lease receivable	**2,448**	2,730
Other current and non-current assets	**24,294**	13,728
	154,564	144,397
Financial assets at fair value through profit or loss ("FVPL")		
Equity and debt investments	**5,636**	5,392
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**50,728**	38,713
Loans and borrowings	**252,474**	340,748
Deferred acquisition costs	**38,497**	85,603
Lease liability	**61,263**	61,188
Other current and non-current liabilities	**18,233**	12,751
	421,195	539,003

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's convertible debentures are categorized within Level 1 of the fair value hierarchy. As at December 31, 2022 the fair value of the convertible debentures, including the equity component, is $6,443, which is based on the closing trade price of the convertible debentures on December 31, 2022.

The Company does not have any fair value measurements categorized within level 2 of the fair value hierarchy.

The carrying values of the Company's financial instruments approximate their fair value, except as stated below.

The Company's loans and borrowings balance, which is mainly comprised of the Company's credit facilities with JPM and RBC, are floating rate instruments which are based on SOFR/CDOR plus 1.25% to 3.25% dependent on CRH's total leverage ratio and MyHealth's and WELL Canadian

Clinics total funded debt to EBITDA ratio. The Company has estimated the fair value of these financial instruments to be $181,247 (US$133,821) for the JPM facility, as at $75,275 for RBC facility as at December 31, 2022 based on Level 3 unobservable inputs.
The investments in Phelix, Twig, Bright, Tap Medical, Tali.ai, Cherry Health 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 December 31, 2022 and December 31, 2021, 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.

c. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk and foreign exchange risk. Risk management is carried out by the Company by identifying and evaluating the financial risks inherent within its operations. The Company's overall risk management activities seek to minimize potential adverse effects on the Company's financial performance.

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 December 31, 2022, the Company had accounts and other receivables of $78,914 (December 31, 2021 - $66,020), net of expected credit losses of $3,619 (December 31, 2021 - $1,091).

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.

As at December 31, 2022, the Company's primary interest bearing liabilities are borrowings under its syndicated credit facilities with JPM and RBC. With all other variables held constant, a 10% increase in the interest rate would have increased net loss by approximately $831 (2021 – $489) for the year ended December 31, 2022. There would be an equal and opposite impact on net loss with a 10% decrease in the interest rate.

On February 28, 2023, the Company entered into an interest rate swap agreement to hedge variable rate interest obligations on US$50,000 of borrowings under its JPM credit facility at a fixed interest rate of 4.68% plus applicable margin.

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.

The Company had the following foreign currency contracts outstanding as at December 31, 2022:

i) a foreign currency forward contract to sell US$7,000 on January 13, 2023 at an exchange rate of 1.3512 CAD/USD. The carrying value of the forward contract was a liability of $22 at December 31, 2022.

ii) an at maturity variable rate foreign currency forward contract to sell US$5,000 on April 3, 2023 at an exchange rate that depends on the prevailing CAD/USD spot rate on April 3, 2023. If the prevailing spot rate on April 3, 2023 is either less than 1.2850 CAD/USD or greater than 1.3335 CAD/USD, the forward contract will settle at 1.2850 CAD/USD. If the prevailing spot rate on April 3, 2023 is greater than 1.2850 CAD/USD and less than 1.3335 CAD/USD, no settlement is required. The carrying value of the at maturity variable rate forward contract was a liability of $347 as at December 31, 2022.

There were no foreign currency contracts outstanding as at December 31, 2021.

The Company's parent company presentation and functional currency is the Canadian dollar. With the acquisition of Circle Medical Technologies, Inc. in November 2020, CRH in April 2021 and the acquisition of WISP in October 2021 (functional currency is the US dollar), a significant portion of the Company's business operations is in the U.S. and these subsidiaries are exposed to foreign currency translation risk.

A 10% movement in foreign exchange rates versus the US dollar would result in an approximate $4,200 change in the Company's net income for year ended December 31, 2022 (excluding impact of foreign currency forward contracts revaluation).

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. The Company has published an Inaugural ESG report highlighting WELL's ESG strategy, reporting initiatives, and targeted actions and can be found at esg.well.company.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at March 20, 2023 the Company had the following securities issued and outstanding:

Description of Security	Number of Securities Outstanding	Additional Comments
Common Shares	234,087,754	
Stock Options	2,939,041	Exercisable at prices ranging from $0.43 to $5.24
RSUs	5,364,915	
PSUs	3,817,518	
Convertible debentures	7,583,966	
Total, Fully Diluted	**253,793,194**	

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, omni-channel patient services and virtual 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 United States. 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 United States 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. **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.

22. **Impact of current international climate -** The conflict between Ukraine and the neighboring countries has led the United States of America ("U.S.") to impose certain sanctions on countries such as Russia, Belarus and other involved countries. As such, the Company is making sure 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.sedar.com.

FORWARD-LOOKING INFORMATION

Certain statements in this Annual MD&A constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information includes, but are not limited to, 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 Annual 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 Annual 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 Annual MD&A.

FUTURE-ORIENTED FINANCIAL INFORMATION

This Annual MD&A contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") including projected 2023 annual revenue, Adjusted EBITDA, profitability on an Adjusted Net Income basis and estimated annual revenue run-rate, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set out in this Annual 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 Annual 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 Annual MD&A should not be used for purposes other than for which it is disclosed herein.