

WELL Health Reports 328% Increase in Revenue for Third Quarter 2019

- Revenue increased 328% to \$8,189,678 in the three-month period ended September 30, 2019 compared to the three months ended October 31, 2018.
- WELL significantly increased its digital services EMR footprint in the third quarter to 852 primary health medical clinics with the acquisition of Kela Atlantic Inc. (“**KAI**”). The Company expects to further increase its footprint to supporting approximately 946 clinics and over 6,000 registered physicians and practitioners across Canada with the proposed acquisition of OSCARwest EMR Services Inc. (“**OSCARwest**”).
- Subsequent to the end of the quarter, WELL expanded its clinical services with the closing of SleepWorks Medical Inc. (“**SleepWorks**”) and also announced the proposed acquisition of Spring Medical Centre Ltd. (“**Spring Medical**”).
- WELL ended the quarter with a strong balance sheet with \$19,406,512 in cash and cash equivalents.

Vancouver, B.C. November 12, 2019 - WELL Health Technologies Corp. (TSX.V: WELL) (the “**Company**” or “**WELL**”), a company focused on consolidating and modernizing clinical and digital assets within the primary healthcare sector, announces it has filed its condensed interim consolidated financial statements and Interim MD&A – Quarterly Highlights for fiscal third quarter ended September 30, 2019.

On December 11, 2018, the Board of Directors approved a resolution to change the Company’s year-end from October 31 to December 31. Accordingly, the condensed interim consolidated financial statements for the period ended September 30, 2019 include the results for the three-months and nine-months ended September 30, 2019 with comparatives for the three-months and nine-months ended October 31, 2018.

Third Quarter Financial and Business Highlights:

- WELL achieved record quarterly revenue of \$8,189,678 during the three months ended September 30, 2019 compared to \$1,911,625 revenue

generated during the three months ended October 31, 2018 - an increase of 328% primarily attributable to the Company's acquisitions over the past year.

- Gross margin⁽¹⁾ increased to 35.2% in the three months ended September 30, 2019, compared to 29.2% in the three months ended October 31, 2018 mainly due to the addition of higher margin digital services revenue.
- Adjusted EBITDA⁽²⁾⁽³⁾ loss was \$512,076 for the 3-month period ended September 30, 2019, compared to Adjusted EBITDA⁽²⁾ loss of \$540,705 in the 3-month period ended October 31, 2018.
- On July 1, 2019, WELL completed its acquisition of KAI, who provides OSCAR-based EMR software and services to approximately 562 clinics across Canada, supporting over 2,100 registered physicians and practitioners.
- On August 15, 2019, WELL completed a bought deal private placement of 10,350,000 special warrants of the Company at a price of \$1.45 per special warrant for gross proceeds of \$15,007,500. The offering included participation from Sir Li Ka-shing and members of WELL's management team inclusive of the Company's CEO, CFO and SVP of Strategic Partnerships and Marketing.
- On September 25, 2019, WELL announced it entered into a share purchase agreement with the shareholders of OSCARwest, a provider of EMR software, support and other services to 90 clinics serving approximately 1,100 registered physicians and practitioners.

"We continued to be very active in executing on our acquisition growth strategy in the third quarter," said Hamed Shahbazi, Chairman and CEO of WELL. "We completed the acquisition of KAI and subsequently formed the WELL EMR Group encompassing all of the Company's current and future EMR assets where we are seeing strong organic growth. With the proposed acquisition of OSCARwest, we continue to further consolidate the OSCAR-based EMR market and strengthen our position as the third largest EMR service provider in Canada (based on our research). We have a very robust pipeline of potential acquisitions in both our clinical and digital portfolios and remain diligent in implementing our acquisition strategy."

Subsequent Events:

- On October 1, 2019, the Company completed its 51% majority ownership stake in SleepWorks, a provider of services for patients who suffer from sleep

disorders, who has provided diagnostic services to over 10,000 patients since inception.

- On October 11, 2019, the Company announced a Normal Course Issuer Bid (“**NCIB**”) which commenced on October 17, 2019 and is expected to terminate on October 16, 2020, or such an earlier date if the maximum number of shares of 5,416,226 are purchased (representing 5% of the issued and outstanding shares).
- On October 23, 2019, the Company announced it has entered into a definitive share purchase agreement with the shareholder of Spring Medical Centre Ltd. (“**Spring Medical**”), a provider of integrative health services in Burnaby, BC, pursuant to which WELL has agreed to acquire 51% of the issued and outstanding shares of Spring Medical, with an option to acquire the remaining 49% in the future.

Outlook:

WELL expects Fiscal Q4 revenue to benefit from the closing of the SleepWorks acquisition and higher seasonal revenue in clinical services. The Company continues to execute on its 2019 growth strategy by focusing on the following: (i) Achieving organic revenue growth in both its clinical and digital portfolios; (ii) Inorganic growth obtained by developing an active pipeline of potential acquisition opportunities including accretive health clinics, OSCAR-based EMR service providers and other digital health related technologies; and (iii) Realizing operational excellence through the use of technology and shared services infrastructure to support our doctor partners and service our patients.

Conference Call:

WELL will hold a call to discuss its 2019 third quarter financial results on Tuesday November 12, 2019 at 12:30 pm ET (9:30 am PT). Please use the following dial-in numbers: 416-764-8609 (Toronto local), 778-383-7417 (Vancouver local) or 1-888-390-0605 (Toll-Free), with Conference ID: **73454719**.

Selected Financial Highlights:

Please see SEDAR for complete copies of the Company's condensed interim consolidated financial statements and Interim MD&A – Quarterly Highlights for fiscal third quarter ended September 30, 2019.

	For the three months ended		For the nine months ended	
	September 30, 2019	October 31, 2018	September 30, 2019	October 31, 2018
	\$	\$	\$	\$
Revenue	8,189,678	1,911,625	22,979,992	5,897,343
Cost of clinical and digital services	(5,309,054)	(1,352,490)	(15,580,976)	(4,166,994)
Gross Profit ⁽¹⁾	2,880,624	559,135	7,399,016	1,730,349
Gross Margin ⁽¹⁾	35.2%	29.2%	32.2%	29.3%
Adjusted EBITDA ^{(2) (3)}	(512,076)	(540,705)	(1,406,796)	(794,938)
Net loss from continuing operations ⁽³⁾	(4,833,216)	(916,849)	(8,009,981)	(1,698,920)
Total comprehensive loss for the period ⁽³⁾	(4,833,216)	(907,462)	(8,009,981)	(1,841,533)
Net loss per share - from continuing operations	(0.05)	(0.01)	(0.09)	(0.02)
Net loss per share - for the period	(0.05)	(0.01)	(0.09)	(0.03)
Weighted average number of common shares outstanding (basic and diluted)	97,791,445	80,875,583	91,957,814	71,421,728
Reconciliation of net income to Adjusted EBITDA				
Net loss for the period	(4,833,216)	(907,462)	(8,009,981)	(1,841,533)
Depreciation and amortization	422,983	12,470	1,210,158	35,938
Income tax	76,176	435	161,176	9,442
Interest income	(59,186)	(42,484)	(139,812)	(75,144)
Interest expense	553,805	6,837	1,079,013	19,296
Rent expense on finance leases	(469,029)	-	(1,291,799)	-
Stock-based compensation	1,023,857	221,762	2,250,975	639,923
Net loss (income) from discontinued operations	-	(9,387)	-	142,613
Special warrants related expenses	2,458,790	-	2,458,790	-
Time-based earn-out expense	115,934	-	388,376	-
Transaction, restructuring, & integration costs expensed	197,810	177,124	486,308	274,527
Adjusted EBITDA^{(2) (3)}	(512,076)	(540,705)	(1,406,796)	(794,938)

Notes:

(1) Non-GAAP measure. Gross profit and gross margin do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines gross profit as revenue less cost of clinical and digital services and gross margin as gross profit as a percentage of revenue. Gross profit and gross margin should not be construed as an alternative for revenue or net loss determined in accordance with IFRS. The Company believes that gross profit and gross margin are meaningful metrics in assessing the Company's financial performance and operational efficiency.

(2) Non-GAAP measure. Earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines EBITDA as earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA is defined 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, discontinued operations, time-based earn-out expense and stock-based compensation expense. The Company believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.

(3) On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16"). The adoption of this new standard had a significant impact on the Company's financial statements, including its statement of loss and comprehensive loss, statement of financial position and statement of changes in cash flows. As a result of adopting the new standard, the Company has classified the majority of its premise leases and subleases as finance leases at January 1, 2019, all of which were previously classified as operating leases. The Company adopted the new standard utilizing the modified retrospective exemption which did not require the restatement of prior periods. See note 3(f) in the Company's condensed interim consolidated financial statements for further information on the accounting treatment of leases under IFRS 16.

WELL HEALTH TECHNOLOGIES CORP.

Per: "Hamed Shahbazi"

Hamed Shahbazi

Chief Executive Officer, Chairman and Director

About WELL

WELL is a unique company that operates Primary Healthcare Facilities as well as a significant Electronic Medical Records (EMR) business that supports the digitization of such clinics. WELL wholly owns nineteen medical clinics, is a majority owner of one clinic and provides digital EMR software and services to approximately 852 medical clinics across Canada. WELL's overarching objective is to empower physicians and other care providers to deliver the best and most advanced care possible while leveraging the latest trends in digital health. WELL is publicly traded on the TSX Venture Exchange under the symbol "WELL.v". WELL was recognized as a TSX Venture 50 Company in 2018 and 2019.

Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of applicable Canadian securities laws, including, without limitation: that the proposed acquisition of OSCARwest will be completed and that it will strengthen WELL's position as the third largest EMR service provider in Canada; the projected completion of proposed acquisition of a majority stake in Spring Medical; the belief that the Company is and will continue to be the third largest EMR service provider in Canada; the operations of SleepWorks on a post-closing basis; the statement that the Company's recent financing transactions gives the Company a strong balance sheet to execute on its future acquisition growth strategy; the Company's expectation that Fiscal Q4 revenue to benefit from contribution from the SleepWorks acquisition; the statement relating to securing new acquisitions to grow both the Company's clinical and digital portfolios in a manner that is highly accretive to shareholder value both in the short and long term; and the statements relating to the Company's 2019 growth strategy consisting of organic growth, in-organic growth and operational excellence; and the intention to provide the best and most advanced care and leveraging the latest in digital health. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management,

are inherently subject to significant business, economic and competitive uncertainties, and contingencies. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause future results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. WELL’s statements expressed or implied by these forward-looking statements are subject to a number of risks, uncertainties, and conditions, many of which are outside of WELL’s control, and undue reliance should not be placed on such statements. Forward-looking statements are qualified in their entirety by inherent risks and uncertainties, including: that WELL’s assumptions in making forward-looking statements may prove to be incorrect; adverse market conditions; risks inherent in the primary healthcare sector in general; regulatory and legislative changes; that future results may vary from historical results; inability to obtain future financing on suitable terms; and that market competition may affect the business, results and financial condition of WELL. Except as required by securities law, WELL does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise.

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