WELL Health to Acquire MyHealth and Become Largest Outpatient Medical Clinic Owner-Operator and Leading Multi-disciplinary Telehealth Service Provider in Canada

- MyHealth Partners Inc. ("**MyHealth**") is a leading specialty care, telehealth services and accredited diagnostic health services provider that owns and operates 48 locations across Ontario.
- MyHealth is a Canadian healthcare powerhouse that has grown at a 40% revenue and EBITDA(1) CAGR over the past five years, including a 15% organic growth rate over that period and has completed 25 acquisitions in the past eight years.
- This foundational acquisition positions WELL as the largest owner-operator of outpatient medical clinics in Canada with 74 combined clinics.
- Approximately 75% of MyHealth's medical consultations are conducted via telehealth, which when combined with WELL's multiple telehealth businesses will make WELL the leading multi-disciplinary telehealth service provider in Canada.
- Post transaction, the MyHealth acquisition is expected to generate proforma revenues of approximately C$100M(2) with EBITDA(1) margins of approximately 20% in 2021. Upon closing, WELL's combined revenue will be expected to approach C$400M and C$100M in EBITDA(1) on a run-rate basis.
- The purchase price due upon closing of C$206M is fully funded via a combination of WELL shares (priced at C$9.80/share), vendor takeback financing, and new senior credit facilities to be provided by a syndicate of banks led by The Royal Bank of Canada leveraging exclusively the collateral of the MyHealth asset itself. The deal reflects accretion of 20% and 28% on an EBITDA per share and Revenue per share basis respectively with less than 5 percent dilution.

Vancouver, B.C. - June 7, 2021 - WELL Health Technologies Corp. (TSX: WELL) ("**WELL**" or the "**Company**"), a company focused on consolidating and modernizing clinical and digital assets within the healthcare sector, is pleased to announce it has entered into a definitive share purchase agreement dated June 4, 2021 (the "**Agreement**") to acquire all of the issued and outstanding shares of MyHealth Partners Inc (the "**Transaction**") for a total transaction value of C$206M plus a future conditional earn-out of up to C$60M. MyHealth provides primary care, specialty care, telehealth services and accredited diagnostic health services from 48 locations across Ontario.

Hamed Shahbazi, Chairman and CEO of WELL commented, "The planned acquisition of MyHealth cements WELL's position as a foundational leader in the Canadian healthcare marketplace. Once completed, WELL will be the largest and most capable non-governmental owner-operator of outpatient medical clinics in Canada. WELL will have meaningful capabilities across primary and secondary care along with robust diagnostic facilities and capabilities. MyHealth is a tech enabled and forward-thinking network delivering roughly three quarters of its medical consultations via telehealth. To our knowledge, this will position WELL as the leading multi-disciplinary provider of telehealth services in Canada due to the breadth and depth of primary and secondary healthcare service offerings including a substantial telecardiology and teleradiology program. Once the transaction has closed, WELL's combined annualized revenue and EBITDA run-rates will approach C$400M and C$100M respectively."

MyHealth Acquisition Highlights:

With the proposed acquisition of MyHealth, WELL will become the largest owner-operator of outpatient medical clinics in Canada providing primary, specialty and diagnostic healthcare services. Founded in 2013 and boasting 48 locations across Ontario, MyHealth has over 760 physicians and other healthcare professionals providing patient services. For the twelve months ended March 31, 2021, MyHealth recorded over 500,000 patient visits including primary, specialty, telehealth, and diagnostic visits. MyHealth offers medical consultations both in-person and through telehealth, as well as diagnostic services related to cardiology, women's health, bone/muscle health and cancer diagnostics. MyHealth has been growing rapidly over the past five years, with a 40% CAGR in both revenue and EBITDA. This growth reflects 15% organic growth rate over that same 5-year period plus a disciplined and successful acquisition program with 25 completed deals over the past eight years.

Post-closing, MyHealth will become a WELL subsidiary and business unit and will be operated by its current staff led by Suresh Madan, who currently serves as MyHealth's CEO. WELL's proposed acquisition of MyHealth has the following positive elements:

- **Extensive Practitioner and Referral Network**. MyHealth adds approximately 160 physicians and 600+ other healthcare professionals to WELL's platform including general practitioners, nurse practitioners, and specialists covering a myriad of specialty areas (e.g. cardiology, rheumatology, vascular surgery, radiology, and echocardiography). Post-closing, WELL is expected to have one of the largest networks of physicians in Canada. MyHealth's 48 accredited diagnostic facilities provide OHIP-covered speciality services to over 10,000 referring physicians.

- **Telehealth-First Approach**. Approximately 75% of MyHealth's medical consultations are currently being completed via telehealth. MyHealth has a well-established "bricks-and-clicks" approach to healthcare delivery. MyHealth's telehealth service focuses on, telecardiology, teleradiology, and soon diabetes, kidney and pain care making MyHealth the largest secondary or specialty care telehealth provider in Canada, and WELL the leading multi-disciplinary telehealth service provider in Canada.

- **Tech-Enabled Operations.** MyHealth embraces digital health tools and technologies including software to drive referrals, patient portal access to radiology records, mobile booking app for patients and a proprietary business intelligence system to drive centralized decisions. MyHealth's doctors already use WELL's OSCAR Pro EMR to support its primary care services and is integrated with Insig Health's proprietary workflow and patient in-take platform. WELL expects significant digital cross-collaboration opportunities going forward.

- **Significant Financial Resilience and Accretion.** MyHealth experienced strong performance during the pandemic as its revenue model demonstrated resilience to downturns and other seasonal factors. MyHealth is expected to generate annual proforma revenues of approximately C$100M(2) with EBITDA(1) margins of approximately 20% in 2021. The Transaction is expected to drive significant financial accretion for WELL including 20% accretion on an EBITDA per share basis and 28% accretion on a Revenue per share basis in 2021 (pro forma).

- **M&A Approach Complements WELL's Disciplined Capital Allocation Program**. MyHealth is Canada's largest and fastest growing consolidator of specialty medicine and diagnostic centers, successfully completing 25 acquisition transactions of a combined 33 independent clinics over the past eight years. MyHealth is expected to continue to pursue its accretive M&A program after the proposed acquisition by WELL and has an active pipeline including 125 potential targets.

"All of our physicians and medical professionals are excited to join WELL due to the vision and dedication of the WELL team to positively impact health outcomes by leveraging technology. We have already integrated with and are using a number of WELL's technology solutions and are looking forward to deepening our collaboration," says Suresh Madan, President and CEO of MyHealth. "MyHealth has been focused on delivering timely information to our patients and physicians in our healthcare system. This is especially true at a time where physicians using telemedicine rely so heavily on our diagnostic tools and services. We have always been intentional about leveraging technology to drive positive changes to health outcomes. Joining forces with WELL will allow us to further develop and implement technologies to cut wait times and further optimize healthcare experiences for patients."

Transaction Details: (all figures are in Canadian Dollars)

Under the terms of the Agreement, the total consideration payable by WELL in connection with the Transaction is up to C$266.3M which will be paid as follows: (i) $82M in cash on the closing date, subject to customary closing adjustments; (ii) $94.3M through the issuance of 9.6M common shares in the capital of the Company on the closing date at a deemed price per share of $9.80 per share, which represents a 38.1% premium to the volume weighted average trading price of the Company's common shares on the Toronto Stock Exchange ("**VWAP**") for the five trading days preceding the date of this announcement of approximately $7.10/share, subject to adjustment as described below**.** These shares will be subject to certain volume based voluntary resale restrictions as provided in the Agreement ; (iii) a convertible promissory note in the principal amount of $30M issued by WELL maturing in three $10M tranches on the third, sixth and ninth months following the closing date of the transaction and repayable in cash, WELL common shares, or a combination of both, at WELL's discretion; and (iv) a four-year performance-based earn-out of up to $60M, payable in cash, WELL common shares or a combination of both, at WELL's discretion. The performance-based earn-out is driven by maintaining and enhancing the company's profitability. If the earn-out is fully achieved, it will result in a purchase multiple that is materially lower than the purchase multiple at the time of closing. If the VWAP of the Company's common shares for the five trading days preceding the closing date of the transaction is higher or lower than $7.10, then the number of common shares issuable on the closing date will be adjusted in direct inverse proportion to such difference in price.

Closing of the Transaction is subject to a number of conditions, including regulatory approvals from the TSX, and the Ontario Ministry of Health, which are currently expected to be obtained in Q3-2021.

The Royal Bank of Canada is acting as lead arranger and bookrunner leading a syndicate of five other banks for the new senior credit facility. The collateral for the debt financing is exclusively leveraging the MyHealth asset itself.

Advisors and Counsels:

Eight Capital is acting as lead financial advisor to WELL, with Stifel GMP also provided advisory services to WELL on the Transaction. Clark Wilson LLP, Torys LLP and Dentons are acting as legal counsel to WELL on the transaction. Blakes LLP is acting as legal counsel to WELL on the financing. Deloitte Corporate Finance Inc. and Gowling WLG (Canada) are acting as financial and legal advisor counsel to MyHealth Partners Inc. respectively.

Conference Call Details:

WELL will be hosting a video conference call webinar for investors and analysts to discuss the Acquisition. Please see details below to participate:

Date: Monday, June 7, 2021
Time: 9am PST (12 noon EST)
Webcast: https://www.well.company/for-investors/events/
Dial-in: 647-558-0588 (Toronto Local), 778-907-2071 (Vancouver Local)
Confirmation number: 959 8490 1232

Footnotes:

1) Earnings before interest, taxes, depreciation and amortization ("**EBITDA**") and EBITDA margin (EBITDA divided by revenue) are each Non-GAAP measures. EBITDA and EBITDA margin should not be construed as alternatives to net income/loss determined in accordance with International Financial Reporting Standards ("**IFRS**"). EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company believes that 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. For EBITDA reconciliation to Net income, please refer to the Company's most recent Management Discussion and Analysis on Sedar.com. EBITDA margin is EBITDA as a percentage of total revenue.
2) MyHealth proforma revenues includes the sum total of all MyHealth subsidiaries and acquisitions for the 12 month period ending December 31, 2021.

WELL HEALTH TECHNOLOGIES CORP.

Per: <u>"Hamed Shahbazi"</u>
Hamed Shahbazi
Chief Executive Officer, Chairman and Director

About WELL Health Technologies Corp.

WELL is an omni-channel digital health company whose overarching objective is to empower doctors to provide the best and most advanced care possible while leveraging the latest trends in digital health. As such, WELL owns and operates primary and executive healthcare clinics in both Canada and the US, operates a global digital

Electronic Medical Records (EMR) business serving thousands of healthcare clinics and health systems of all sizes and operates a multi-national portfolio of telehealth services which includes one of the largest telehealth service providers in Canada. WELL is also a provider of digital health, billing and cybersecurity related technology solutions. WELL's wholly owned subsidiary CRH Medical provides various products and services that have supported thousands of Gastroenterology physicians in the US. WELL is an acquisitive company that follows a disciplined and accretive capital allocation strategy. WELL is publicly traded on the Toronto Stock Exchange under the symbol "WELL". To access the Company's Canadian telehealth service, visit: tiahealth.com, and for corporate information, visit: www.well.company.

About MyHealth

MyHealth is one of Canada's largest and fastest growing primary and specialty healthcare providers with a network of diagnostic centers across Ontario. MyHealth's experienced team of physicians and healthcare professionals provide exceptional cardiology, x-ray, ultrasound, mammography, bone density related diagnosis. MyHealth operates a "bricks and clicks" model which leverages its telehealth platform to drive referral opportunities to its brick-and-mortar diagnostic business. MyHealth also operates the brands MyDoctorNow, CardiologyNow and RadiologyNow. MyHealth recognizes employees as its most valuable asset and focuses its talent development strategy around employee engagement, empowerment and continuous training. As such MyHealth is the recipient of numerous awards including Accreditation with Commendation from Accreditation Canada, Great Place to Work (since 2017), the Globe and Mail's Top Growing Company (2019 and 2020), Waterstone Canada's Most Admired Corporate Culture 2020, Maclean's Magazine's list of Canada's Best Managed Companies 2018, 2019, 2020, 2021 and the 2021 Consumer Choice Award for best Diagnostic Imaging Clinics in the Greater Toronto Area.

Notice Regarding Forward-Looking Statements:

Certain statements in this news release related to the Company are forward-looking statements and are prospective in nature including the statements regarding the completion and timing of the proposed acquisition, the Company's expansion plans and the expected impact of the acquisition on the Company; that the MyHealth acquisition is expected to generate proforma revenues of approximately C$100M, with EBITDA[(1)] margins of approximately 20% in 2021; that WELL will be the largest and most capable non-governmental owner-operator of outpatient medical clinics in Canada upon completion of the acquisition; that the acquisition will position WELL as the leading multi-disciplinary provider of telehealth services in Canada; that WELL will be the largest owner-operator of outpatient medical clinics in Canada providing primary, specialty and diagnostic healthcare services; that following the acquisition MyHealth will be a division of WELL operated by its current staff led by Suresh Madan; that the acquisition of MyHealth will add approximately 160 physicians and 600+ other healthcare professionals to WELL's platform and that WELL will have one of the largest network of doctors in Canada; that WELL and MyHealth will have significant digital cross-collaboration opportunities going forward; that MyHealth is expected to generate annual revenues of C$100M with EBITDA margins of approximately 20% in 2021 and that the Transaction is expected to drive significant financial accretion for WELL including 20% accretion on an EBITDA per share basis and 28% accretion on a Revenue per share basis; that MyHealth is expected to continue to pursue its accretive M&A program after the proposed acquisition by WELL and joining forces with WELL will allow MyHealth to further develop and implement technologies to cut wait times and further optimize healthcare experiences for patients; and that if the earn-out is fully achieved, it will result in a purchase multiple that is materially lower than the purchase multiple at the time of closing. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "could", "would", "intend", "estimate", "plan", "anticipate", "expect", "believe" or the negative thereof or similar variations. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking statements, including: risks that the conditions to completion of the acquisition will not be satisfied as contemplated or at all; business disruption risks relating to COVID-19; regulatory risks, including those related to healthcare, privacy and data security; integration risks relating to the acquired business on a post-closing basis; and other risks outlined in the Company's publicly filed documents available on SEDAR. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking statements are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

For further information:

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