# WELL Health Achieves Record Results Reflecting 573% YoY Revenue Growth and Positive Net Income in Q4-2021

- WELL reported record quarterly revenues of $115.7 million in Q4-2021 representing a 573% year-over-year (YoY) increase compared to Q4-2020. WELL's annual revenue for 2021 was $302.3 million, an increase of 502% compared to the prior year.
- WELL achieved Adjusted EBITDA(2) of $25.7 million in Q4-2021, an increase of 324% as compared to Adjusted EBITDA(2) of $0.8 million for Q4-2020.
- WELL reported Adjusted Net Income(3) of $5.3 million in Q4-2021, and positive Net Income of $0.7 million for Q4-2021.
- WELL delivered 700,359 total omni-channel patient visits in Q4-2021, representing a YoY increase of 123%. When combined with our asynchronous visits, the total number of visits was 972,740.
- Circle Medical and Wisp continued to grow rapidly and are expected to achieve an annualized revenue run-rate of better than US$80 million in March 2022.
- WELL provides strong outlook with total 2022 revenue expected to exceed $500 million, and the Company expects to be profitable for the full year of 2022, on an Adjusted Net Income(3) basis.

Vancouver, B.C. – March 31, 2022, - WELL Health Technologies Corp. (TSX: WELL) (the "**Company**" or "**WELL**"), a company focused on positively impacting health outcomes by leveraging technology to empower healthcare practitioners and their patients globally, today announced its audited consolidated annual financial results and results for the fiscal fourth quarter ended December 31, 2021.

Hamed Shahbazi, CEO and Founder of WELL commented, "We are very pleased with our fourth quarter and full year results for 2021, delivering close to one million patient-visits and asynchronous consultations. Last year was a transformational year for WELL, as we completed substantial acquisitions including CRH Medical and MyHealth, as well as a number of tuck-in acquisitions, which catapulted the Company to an over $460 million annualized revenue run-rate and an Adjusted EBITDA run-rate of over $100 million. We have added significant scale to our business and increased our leadership position as the prominent end-to-end healthcare company in Canada. Also, WELL is a profitable business that is generating significant free cash flow to fund its organic and in-organic growth."

Mr. Shahbazi added, "Our outlook for 2022 remains strong and resilient. The capital WELL generates will continue to be allocated in a disciplined manner, which may come in the form of further acquisitions, share repurchases, or to accelerate organic growth. We are looking forward to continuing to deliver strong results in the next few quarters, with sustained organic growth."

**Fiscal 2021 Annual Financial Highlights:**

- Total revenue for the year ended December 31, 2021 was $302.3 million, compared to total revenue of $50.2 million for the prior year, an increase of 502% driven by acquisitions during the past year and organic growth.
- WELL achieved Virtual Services revenues of $75.6 million for the year ended December 31, 2021, representing an increase of 460% as compared to Virtual Services revenue of $13.5 million in the prior year
- WELL achieved record Adjusted Gross Profit(1) of $153.7 million, representing 624% growth compared to Adjusted Gross Profit(1) of $21.2 million in the prior year. WELL achieved record Adjusted Gross Margin(1) percentage of 50.8% for the year ended December 31, 2021 compared to Adjusted Gross Margin(1) percentage of 42.2% in the prior year. The increase in Adjusted Gross Margin(1) percentage is mainly due to the addition of higher margin CRH, MyHealth and other new Virtual services revenue over the past year.
- Adjusted EBITDA(2) was $60.4 million for the year ended December 31, 2021, compared to Adjusted EBITDA(2) of $0.2 million in the prior year.
- Adjusted Net Income(3) was $16.0 million, or $0.08 per share, for the year ended December 31, 2021, compared to Adjusted Net Loss(3) of $1.3 million, or a loss of $0.01 per share in the prior year.

**Fourth Quarter 2021 Financial Highlights**:

- WELL achieved record quarterly revenue of $115.7 million in Q4-2021, compared to revenue of $17.2 million generated during Q4-2020, an increase of 573% driven by acquisitions during the past year and organic growth.
- WELL achieved Virtual Services revenues of $31.3 million in Q4-2021, representing 354% YoY growth as compared to Virtual Services revenue of $6.9 million in Q4-2020.
- WELL achieved record Adjusted Gross Profit(1) of $63.5 million in Q4-2021, representing 693% YoY growth as compared to Adjusted Gross Profit(1) of $8.0 million in Q4-2020. WELL achieved record Adjusted Gross Margin(1) percentage of 54.9% during Q4-2021 compared to Adjusted Gross Margin(1) percentage of 46.5% in Q4-2020.
- Adjusted EBITDA(2) was $25.7 million for Q4-2021, compared to Adjusted EBITDA(2) of $0.8 million for Q4-2020. Adjusted EBITDA(2) was positively impacted in the quarter by WELL's recent acquisitions.

- Adjusted Net Income[3] was $5.3 million, or $0.03 per share, for the quarter ended December 31, 2021, compared to Adjusted Net Income[3] of $2.4 million, or $0.02 per share in Q4-2020.

**Fourth quarter 2021 Patient Visit Metrics:**

Total omni channel patient visits in Q4-2021 increased by 121% to 700,359 compared to Q4-2020 and reflected a 20% increase as compared to Q3-2021. In addition, MyHealth conducted 146,116 diagnostic visits in Q4-2021, while Wisp completed 126,265 asynchronous patient consultations. Combining WELL's omni-channel patient visits, MyHealth's diagnostic visits and Wisp's asynchronous patient consultations, WELL achieved a total of 972,740 patient interactions in Q4-2021, representing an annual run-rate of 3.89 million patient interactions.

**Fourth quarter 2021 Business Highlights:**

On October 1, 2021, the Company completed the previously announced acquisition of a majority interest in Wisp for a total consideration of approximately US$41.3 million, which includes a future conditional earn-out on operating performance of up to approximately US$7.4 million.

On October 7, 2021, WELL's CRH subsidiary completed a majority stake acquisition of a 51% interest in Pinellas County Anesthesia Associates, LLC, a gastroenterology anesthesia services provider in Florida. The purchase consideration, paid via cash, for the acquisition of the Company's interest was US$9.2 million.

On November 1, 2021, the Company completed the acquisitions of Uptown Medical and Uptown Allied, consisting of two medical clinics and one allied health clinic in the greater Toronto area. Total purchase consideration was $1.4 million.

On November 1, 2021, the Company completed the acquisition of AwareMD, an enterprise class EMR provider with a focus on cardiology in addition to other disease specialties including radiology, endocrinology, and rheumatology. Total consideration paid for Aware MD was $4.5 million, including a conditional earn-out of up to $3.5 million.

On November 25, 2021, the Company completed a bought deal public offering of $70 million aggregate principal amount of convertible senior unsecured debentures of the Company due December 31, 2026 at a price of $1,000 per Debenture, including $5 million aggregate principal amount of Debentures issued pursuant to the over-allotment option which was exercised in full.

On December 1, 2021, the Company completed the acquisition of CognisantMD whose Ocean platform is the category leader in digital patient engagement technology and eReferral software in Canada. Ocean's platform supports over 8,000 physicians, and approximately 35,000 referrals and consults are sent electronically through the platform monthly. Total consideration paid by WELL in connection with the acquisition of CognisantMD was approximately $17.6 million with an additional performance based earn-out of up to approximately $7.0 million.

**Events Subsequent to December 31, 2021:**

On February 14, 2022, WELL's wholly owned subsidiary Adracare, met all provincial requirements as part of the validation process to be a verified vendor for virtual care in Ontario. The year-long process required Adracare to demonstrate that its solution met Ontario Health's standards with respect to privacy, security, technology, and functionality. As a result, Adracare is listed on Ontario Health's site as one of few fully validated vendors for virtual care in Ontario.

On March 7, 2022, the Company, via a subsidiary, entered into an asset contribution and exchange agreement to acquire a 100% interest in GCAA, a gastroenterology anesthesia services provider in Connecticut, USA. The purchase consideration, to be paid via cash and holdback liability, for the acquisition of the Company's 100% interest will be US$12.5 million and is expected to generate more than US$3M in shareholder EBITDA.

WELL has exceeded its previously announced goal of donating $100,000, through a $50,000 corporate donation, and a donation matching program between WELL team members and WELL's CEO. The donations will contribute towards efforts to support the millions of Ukrainian children in immediate danger. Furthermore, WELL is committed to working with Canadian authorities on supporting Ukrainians fleeing the war, with opportunities to work within our Canadian operations.

**Outlook:**

WELL's outlook remains very positive across all the business units and for the entire Company as a whole. The Company's organic growth coupled with its continued focus on tuck-in acquisitions is expected to catapult WELL's revenue to exceed half a billion in annual revenue in 2022.

WELL's goals for 2022 are to: (i) build out and refine its practitioner enablement platform and deploy its services both internally to WELL healthcare practitioners as well as offer its services to healthcare practitioners outside of the Company; (ii) achieve organic growth across all of its operating business units; (iii) follow a disciplined capital allocation strategy designed to continue to activate organic growth; and (iv) WELL expects to be profitable for the full year 2022, on an Adjusted Net Income basis.

In Canada, WELL is quickly expanding on what it has built -- the most consequential network of non-governmental healthcare assets across the country with significant operations and interoperability between its outpatient clinics, EMR, Diagnostics and Telehealth businesses

In the United States, the combined annualized run-rate revenue of Circle Medical and Wisp is better than US$80 million based on preliminary March volumes. We are expecting the combined run-rate revenue to exceed US$100 million later this year.

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 the coming quarter highlighting WELL's ESG strategy, reporting initiatives and targeted actions.

**Conference Call:**

WELL will hold a conference call to discuss its 2021 Fourth Quarter and Annual financial results on Thursday, March 31, 2022, at 1:00 pm ET (10:00 am PT). Please use the following dial-in numbers: 416-764-8650 (Toronto local), 778-383-7413 (Vancouver local), 1-888-664-6383 (Toll-Free) or +1-416-764-8650 (International), with Conference ID: 1776 5709.

The conference call will also be simultaneously webcast and can be accessed at the following audience URL: https://www.well.company/for-investors/events/

**Selected Unaudited Financial Highlights:**

Please see SEDAR for complete copies of the Company's audited annual consolidated financial statements and annual MD&A for the year ended December 31, 2021.

| | Three months ended December 31, 2021 $ '000 | Three months ended September 30, 2021 $ '000 | Three months ended December 31, 2020 $ '000 | Year ended December 31, 2021 $ '000 | RESTATED Year ended December 31, 2020 $ '000 |
|---|---|---|---|---|---|
| Revenue | **115,680** | 99,291 | 17,189 | **302,324** | 50,240 |
| Cost of sales (excluding depreciation and amortization) | **(52,197)** | (49,322) | (9,188) | **(148,629)** | (29,025) |
| Adjusted gross profit(1) | **63,483** | 49,969 | 8,001 | **153,695** | 21,215 |
| Adjusted gross margin(1) | **54.9%** | 50.3% | 46.5% | **50.8%** | 42.2% |
| Adjusted EBITDA(2) | **25,679** | 22,275 | 765 | **60,363** | **194** |
| **Net (loss)/income** | **707** | **(10,408)** | **5,772** | **(30,895)** | **(3,247)** |
| Adjusted net income (loss) (3) | **5,297** | 12,325 | 2,392 | **16,019** | (1,341) |
| Total comprehensive (loss)/income | **6,560** | (8,965) | 5,640 | **(23,980)** | (4,100) |
| **Net (loss) income per share, basic and diluted (in $)** | **(0.04)** | **(0.06)** | **0.04** | **(0.23)** | **(0.03)** |
| Adjusted Net (loss)/income per share, basic and diluted (in $) (3) | **0.03** | 0.06 | 0.02 | **0.08** | (0.01) |
| | | | | | |
| Weighted average number of common shares outstanding, basic and diluted | **208,101,672** | 203,959,885 | 151,058,782 | **190,900,309** | 133,911,242 |
| | | | | | |
| **Reconciliation of net loss to Adjusted EBITDA(2)** | | | | | |
| Net (loss)/income for the period | **707** | (10,408) | 5,772 | **(30,895)** | (3,247) |
| Depreciation and amortization | **8,304** | 16,326 | 1,867 | **38,216** | 4,592 |
| Income tax expense (recovery) | **1,580** | 2,854 | (4,508) | **5,921** | (4,362) |
| Interest income | **(69)** | (71) | (218) | **(555)** | (454) |
| Interest expense | **4,059** | 3,124 | 335 | **8,992** | 1,935 |
| Rent expense on finance leases | **(1,899)** | (1,909) | (657) | **(5,474)** | (2,204) |
| Stock-based compensation | **4,263** | 9,447 | 1,987 | **21,012** | 4,975 |
| Foreign exchange (gain) loss | **282** | (387) | 195 | **4,749** | 195 |
| Time-based earn-out expense | **1,805** | 1,393 | 628 | **5,085** | 1,864 |
| Change in fair value of investments | **-** | **-** | (6,905) | **-** | (6,905) |
| Share of net loss of associates | **56** | 97 | 342 | **209** | 587 |
| Revenue precluded from recognition under IFRS 15 | **3,110** | **-** | **-** | **3,110** | **-** |
| Transaction, restructuring, & integration costs expensed | **3,481** | 1,809 | 1,927 | **9,993** | 3,218 |
| **Adjusted EBITDA(2)** | **25,679** | 22,275 | 765 | **60,363** | 194 |
| | | | | | |
| Attributable to WELL shareholders | **15,541** | 16,449 | 517 | **39,698** | (234) |
| Attributable to Non-controlling interests | **7,028** | 5,826 | 248 | **17,555** | 428 |
| | | | | | |
| **Adjusted EBITDA(2)** | | | | | |
| Canada and others | **1,177** | 3,483 | 428 | **3,020** | (143) |
| US operations | **21,392** | 18,792 | 337 | **54,233** | 337 |
| **Adjusted EBITDA(2) attributable to WELL shareholders** | | | | | |
| Canada and others | **955** | 3,278 | 282 | **2,164** | (469) |
| US operations | **14,586** | 13,171 | 235 | **37,534** | 235 |
| **Adjusted EBITDA(2) attributable to Non-controlling interests** | | | | | |
| Canada and others | **221** | 206 | 146 | **856** | 326 |
| US operations | **6,807** | 5,620 | 102 | **16,699** | 102 |
| | | | | | |
| **Reconciliation of net loss to Adjusted Net Income/(loss) (3)** | | | | | |
| Net (loss)/income for the period | **707** | **(10,408)** | **5,772** | **(30,895)** | **(3,247)** |
| Amortization of intangible assets | **4,922** | 13,825 | 1,232 | **30,599** | 2,448 |
| Time-based earn-out expense | **1,805** | 1,393 | 628 | **5,085** | 1,864 |
| Stock-based compensation | **4,263** | 9,447 | 1,987 | **21,012** | 4,975 |
| Change in fair value of investments | **-** | - | (6,905) | **-** | (6,905) |
| Non-controlling interest included in net income | **(9,510)** | (1,932) | (322) | **(12,892)** | (476) |
| Revenue precluded from recognition under IFRS 15 | **3,110** | **-** | **-** | **3,110** | **-** |
| **Adjusted Net Income/(loss) (3)** | **5,297** | 12,325 | 2,392 | **16,019** | (1,341) |
| **Adjusted Net Income (loss) per share (3)** | **0.03** | 0.06 | 0.02 | **0.08** | (0.01) |

## Footnotes:

(1) **Non-GAAP financial measure and ratio**. **Adjusted gross profit** and **adjusted 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 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 loss determined in accordance with IFRS. The Company does not present gross profit in the 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.

(2) **Non-GAAP financial 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 **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, and (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. For the 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. 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.

(3) **Non-GAAP financial measure and ratio.** The Company defines **Adjusted Net Income** as net income, after excluding the effects of stock-based compensation expense, amortization of acquired intangibles, 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. For the 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. **Adjusted Net Income Per Share** is Adjusted Net Income dividend by weighted average number of shares outstanding. The Company believes that these non-GAAP financial measure and ratio 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 my management in decision making. More specifically, WELL believes Adjusted Net Income is a financial metric that tracks the earning power of the business that is available to WELL shareholders. Adjusted Net income and Adjusted Net income Per Share are not recognized measure and ratio for financial statement presentation under IFRS and do not have a standardized meaning. As such, these measures may not be comparable to similar measures or ratios presented by other companies. Adjusted Net Income and Adjusted Net Income Per Share should be considered a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with IFRS.

**WELL HEALTH TECHNOLOGIES CORP.**

Per: "Hamed Shahbazi"
Hamed Shahbazi
Chief Executive Officer, Chairman and Director

**About WELL Health Technologies Corp.**

WELL is a practitioner focused digital healthcare company whose overarching objective is to positively impact health outcomes to empower and support healthcare practitioners and their patients. WELL has built an innovative practitioner enablement platform that includes comprehensive end-to-end practice management tools inclusive of virtual care and digital patient engagement capabilities as well as Electronic Medical Records (EMR), Revenue Cycle Management (RCM) and data protection services. WELL uses this platform to power healthcare practitioners both inside and outside of WELL's own omni-channel patient services offerings. As such, WELL owns and operates Canada's largest network of outpatient medical clinics serving primary and specialized healthcare services and is the provider of a leading multi-national, multi-disciplinary telehealth offering. WELL is publicly traded on the Toronto Stock Exchange under the symbol "WELL" and is part of the TSX Composite Index. To learn more about the Company, please visit: www.well.company.

**Forward-Looking Statements**

This news release may contain "Forward-Looking Information" within the meaning of applicable Canadian securities laws, including, without limitation: information regarding the Company's goals, strategies and growth plans; expectations regarding continued revenue and EBITDA growth; the expected benefits and synergies of completed acquisitions; capital allocation plans in the form of more acquisitions or share repurchases; the expected financial performance as well as information in the "Outlook" section herein. Forward-Looking Information 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. Forward-Looking Information 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 Information 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 the Forward-Looking Information and the Forward-Looking Information are not guarantees of future performance. WELL's comments expressed or implied by such Forward-Looking Information 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 information. Forward-Looking Information are qualified in their entirety by inherent risks and uncertainties, including: direct and indirect material adverse effects from the COVID-19 pandemic; 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 any requisite future financing on suitable terms; any inability to realize the expected benefits and synergies of acquisitions; that market competition may affect the business, results and financial condition of WELL and other risk factors identified in documents filed by WELL under its profile at www.sedar.com, including its most recent Annual Information Form. Except as required by securities law, WELL does not assume any obligation to update or revise any forward-looking information, whether as a result of new information, events or otherwise.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about estimated annual run-rate revenue and Adjusted EBIDTA, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set out in the above paragraph. The actual financial results of WELL may vary from the amounts set out 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 news release 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 news release should not be used for purposes other than for which it is disclosed herein.

*Neither the TSX nor its Regulation Services Provider (as that term is defined in policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.*

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