WELL HEALTH TECHNOLOGIES CORP.
Audited Annual Consolidated Financial Statements

December 31, 2023

Expressed in thousands of Canadian dollars

Independent auditor's report

To the Shareholders of WELL Health Technologies Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WELL Health Technologies Corp. and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of income (loss) and comprehensive income (loss) for the years ended December 31, 2023 and 2022;
- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill *Refer to note 3 – Material accounting policy information, note 4 – Critical accounting estimates and judgments and note 14 – Intangible assets and goodwill to the consolidated financial statements.* The Company had goodwill of $508.1 million as at December 31, 2023. The Company assesses whether there has been an impairment in the carrying amount of goodwill at least annually and whenever an indicator of impairment exists. An impairment loss is recognized if the carrying amount of a cash generating unit (CGU) to which the goodwill relates exceeds its recoverable amount. The recoverable amounts of the CGUs were determined based on the value in use method using discounted cash flow models. Value in use calculations require management to make certain assumptions, including significant estimates about revenue growth rates, terminal growth rates and discount rates. No impairment was recognized as a result of the 2023 impairment review. We considered this a key audit matter due to (i) the significance of the goodwill balance and (ii) the judgment made by management in determining the recoverable amounts of the CGUs, including the use of certain assumptions. This has resulted in a high degree of subjectivity and audit effort in performing audit procedures to test these assumptions. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amount of certain CGUs, which included the following: – Tested the appropriateness of the method used and the mathematical accuracy of the discounted cash flow models. – Tested the reasonableness of revenue growth rates, terminal growth rates and discount rates applied by management in the discounted cash flow models by comparing them to the budget, management's plans and available third party published economic data. – Professionals with specialized skill and knowledge in the field of valuation assisted in testing the reasonableness of the discount rates applied by management based on available data of comparable companies. – Tested the underlying data used in the discounted cash flow models. • Assessed the related disclosures in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for anesthesia services *Refer to note 4 – Critical accounting estimates and judgments, note 9 – Accounts and other receivables and note 22 – segment reporting to the consolidated financial statements*. For the year ended December 31, 2023, revenue recognized from WELL Health USA Patient Services – Specialized - CRH Medical was $249.3 million and, as at December 31, 2023, accounts receivable for U.S. Patient Services – Specialized - CRH Medical was $38.2 million, of which a significant portion relates to anesthesia services. Anesthesia service revenues are recognized on completion of anesthesia procedures for each patient and are recognized net of contractual adjustments and implicit price concessions. Due to such contractual adjustments and implicit price concessions, the transaction price for these services is considered to be variable. Significant judgment is involved in determining the estimated revenues at year-end. Management follows a portfolio approach in estimating the variable consideration based on assumptions related to the historical trend of cash collections from third party payors and contractual adjustments and implicit price concessions for each payor type. We considered this a key audit matter due to the significant judgments and assumptions used by management to estimate revenues that will be collected in the future due to the judgment required in estimating cash collections from third party payors and contractual adjustments and implicit price concessions for each payor type. This in turn resulted in a high degree of auditor judgment, significant audit effort and subjectivity in performing procedures.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined anesthesia revenue and related receivables, which included the following: – Evaluated the reasonableness of estimated future collections by reference to the Company's historical trend of cash collections and contractual adjustments and implicit price concessions by payor type. – Compared the actual cash collections to the anesthesia services revenue accrual recorded on a sample basis. – Tested the accuracy of the revenue accrual by testing the reasonableness of the assumptions used in management's revenue model, as well as testing the underlying data used in the model for accuracy and completeness. • Assessed the related disclosures in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuation of HEALWELL financial instruments *Refer to note 4 – Critical accounting estimates and judgments and note 11 – Financial assets at fair value through profit and loss to the consolidated financial statements.* The Company's financial assets at fair value through profit and loss include $45.9 million of convertible debentures, warrants and a call option that represent the Company's investment in HEALWELL as at December 31, 2023. Management used both complex mathematical models and option pricing models to determine the fair values of the convertible debentures, warrants and call option (HEALWELL financial instruments), both at inception and at each period end. Determining the fair values of the HEALWELL financial instruments, including the determination of observable and unobservable inputs, requires significant management judgment. Observable and unobservable inputs used in the valuation of the HEALWELL financial instruments included credit spreads, expected share price volatilities and expected terms. We considered this a key audit matter due to the significant judgment by management in determining the fair values of the HEALWELL financial instruments. This in turn resulted in significant audit effort and subjectivity in performing procedures to test the fair values determined by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	Our approach to addressing the matter included the following procedures, among others: • With the assistance of professionals with specialized skill and knowledge in the field of valuation, developed an independent point estimate for each of the fair values of the HEALWELL financial instruments based on data and observable and unobservable inputs, including: – Evaluated the reasonableness of observable and unobservable inputs by considering external economic benchmarking data, underlying agreements and past performance of HEALWELL, as applicable. – Tested the underlying data used in developing the independent point estimate for each of the fair values of the HEALWELL financial instruments. • Compared the independent point estimate for each of the fair values of the HEALWELL financial instruments to management's estimate to evaluate the reasonableness of management's estimate. • Evaluated the sufficiency of the disclosures in the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Robert Coard.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 21, 2024

WELL Health Technologies Corp.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in thousands of Canadian dollars unless otherwise stated, except per share and share amounts)

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Revenue (Note 5)	**776,054**	569,136
Expenses		
Cost of sales (excluding depreciation and amortization)	**(403,787)**	(265,845)
General and administrative (Note 6)	**(250,816)**	(199,623)
Depreciation and amortization (Notes 13 and 14)	**(60,768)**	(55,203)
Stock-based compensation (Note 20)	**(26,162)**	(24,483)
Foreign exchange gain (loss)	**636**	(671)
Operating income	**35,157**	23,311
Interest income (Note 7)	**763**	649
Interest expense (Note 7)	**(33,603)**	(25,291)
Time-based earnout (expense) recovery (Note 8)	**(21,412)**	15,767
Change in fair value of investments (Note 11)	**42,560**	282
Gain on disposal of assets and investments	**1,570**	5,206
Share of net loss of associates	**(378)**	(396)
Other expenses	**(5,160)**	(2,003)
Income before income tax	**19,497**	17,525
Income tax (expense) recovery (Note 19)	**(2,860)**	1,150
Net income	**16,637**	18,675
Net income attributable to:		
Owners of WELL Health Technologies Corp.	**82**	1,369
Non-controlling interests	**16,555**	17,306
	16,637	18,675
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Exchange difference on translation of foreign operations	**(12,745)**	33,962
Fair value loss on derivative instruments designated in cash flow hedges	**(509)**	-
Reclassification of fair value gains on derivative instruments to net income	**(315)**	-
Total comprehensive income	**3,068**	52,637
Total comprehensive income (loss) attributable to:		
Owners of WELL Health Technologies Corp.	**(13,325)**	35,045
Non-controlling interests	**16,393**	17,592
	3,068	52,637
Earnings (loss) per share attributable to WELL Health Technologies Corp.		
Basic and diluted	**0.00**	0.00
Weighted average number of common shares outstanding		
Basic and diluted	**236,542,932**	220,691,471

The accompanying notes are an integral part of these audited consolidated financial statements.

WELL Health Technologies Corp.
Consolidated Statements of Financial Position
(Expressed in thousands of Canadian dollars unless otherwise stated)

As at	**December 31, 2023 $'000**	December 31, 2022 $'000
Assets		
Current		
Cash and cash equivalents	**43,423**	48,908
Accounts and other receivables (Note 9)	**94,991**	78,914
Inventory	**1,180**	1,370
Lease receivable (Note 18(b))	**1,107**	568
Prepayments and other assets (Note 10)	**21,487**	21,117
Assets held for sale (Note 24)	**14,208**	-
Total current assets	**176,396**	150,877
Financial assets at fair value through profit and loss (Note 11)	**56,170**	5,636
Investments accounted for using the equity method (Note 12 (d))	**4,690**	4,369
Lease receivable – non-current (Note 18(b))	**1,852**	1,880
Prepayments and other assets – non-current (Note 10)	**4,393**	3,177
Property and equipment (Note 13)	**102,540**	82,535
Intangible assets (Note 14)	**555,200**	571,267
Goodwill (Note 14)	**508,061**	499,290
Total assets	**1,409,302**	1,319,031
Liabilities and equity		
Current		
Accounts payable and accrued liabilities	**47,877**	50,728
Unearned revenue (Note 15)	**6,648**	6,797
Loans and borrowings (Note 17(a))	**42,258**	30,303
Lease liability (Note 18(a))	**14,869**	9,107
Convertible debentures (Note 17(b))	**3,850**	3,850
Deferred acquisition costs (Note 16(a))	**14,493**	18,229
Other liabilities (Note 16(b))	**21,087**	17,489
Liabilities associated with assets held for sale (Note 24)	**1,871**	-
Total current liabilities	**152,953**	136,503
Loans and borrowings - non-current (Note 17(a))	**253,343**	222,171
Lease liability – non-current (Note 18(a))	**66,392**	52,156
Convertible debentures - non-current (Note 17(b))	**45,571**	40,829
Deferred tax liabilities (Note 19(c))	**18,487**	30,706
Unearned revenue - non-current (Note 15)	**255**	403
Deferred acquisition costs – non-current (Note 16(a))	**22,578**	20,268
Other liabilities – non-current (Note 16(b))	**3,577**	744
Total liabilities	**563,156**	503,780
Equity		
Share capital (Note 20)	**751,550**	705,186
Contributed surplus (Note 20)	**54,048**	51,765
Accumulated other comprehensive income	**25,652**	39,059
Accumulated deficit	**(63,584)**	(63,666)
Equity attributable to owners of WELL Health Technologies Corp.	**767,666**	732,344
Non-controlling interests	**78,480**	82,907
Total equity	**846,146**	815,251
Total equity and liabilities	**1,409,302**	1,319,031

Commitments and contingencies (Notes 25 and 26(c))
Events after the reporting period (Note 28)

Approved by the Directors:

"Hamed Shahbazi" *"Thomas Liston"*

WELL Health Technologies Corp.
Consolidated Statements of Changes in Equity
(Expressed in thousands of Canadian dollars unless otherwise stated, except share amounts)

	Attributable to owners of WELL Health Technologies Corp.							
	Number of Shares	Share Capital $'000	Contributed Surplus $'000	Accumulated Other Comprehensive Income (Loss) $'000	Accumulated Deficit $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
Balance at December 31, 2022	**231,047,290**	**705,186**	**51,765**	**39,059**	**(63,666)**	**732,344**	**82,907**	**815,251**
Stock options exercised (Note 20)	890,157	1,253	(443)	-	-	810	-	810
Shares issued for RSUs/PSUs (Note 20)	4,259,807	22,793	(22,793)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs (Note 16(a))	2,852,264	12,375	-	-	-	12,375	-	12,375
Shares issued for settlement of working capital holdbacks	19,770	81	-	-	-	81	-	81
Shares issued for time-based earnout payments	1,013,518	4,096	-	-	-	4,096	-	4,096
Shares issued for consideration in business combinations (Note 23)	1,345,019	5,766	-	-	-	5,766	-	5,766
Stock-based compensation (Note 20)	-	-	26,162	-	-	26,162	-	26,162
Non-controlling interests via business combination (Note 23)	-	-	-	-	-	-	7,050	7,050
Distributions paid to non-controlling interests	-	-	-	-	-	-	(25,101)	(25,101)
Other transactions with non-controlling interests	-	-	(643)	-	-	(643)	(2,773)	(3,416)
Finalization of 2022 PPA	-	-	-	-	-	-	4	4
Foreign currency translation of foreign subsidiaries	-	-	-	(12,583)	-	(12,583)	(162)	(12,745)
Derivative instruments designated in cash flow hedges	-	-	-	(824)	-	(824)	-	(824)
Net income for the period	-	-	-	-	82	82	16,555	16,637
Balance at December 31, 2023	**241,427,825**	**751,550**	**54,048**	**25,652**	**(63,584)**	**767,666**	**78,480**	**846,146**
Balance at December 31, 2021	**209,147,462**	**633,509**	**43,988**	**5,383**	**(64,643)**	**618,237**	**89,813**	**708,050**
Finalization of 2021 PPA	-	-	-	-	(392)	(392)	98	(294)
Restated balance at December 31, 2021	**209,147,462**	**633,509**	**43,988**	**5,383**	**(65,035)**	**617,845**	**89,911**	**707,756**
Private placement (Note 20)	9,327,765	34,513	-	-	-	34,513	-	34,513
Share issue costs	-	(2,230)	-	-	-	(2,230)	-	(2,230)
Shares repurchased under normal course issuer bid (Note 20)	(50,000)	(243)	-	-	-	(243)	-	(243)
Stock options exercised (Note 20)	3,132,286	2,666	(1,498)	-	-	1,168	-	1,168
Shares issued for RSUs/PSUs (Note 20)	3,133,252	15,049	(15,049)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs (Note 16(a))	2,781,887	8,488	-	-	-	8,488	-	8,488
Shares issued for settlement of note payable (Note 17(a))	2,320,897	9,353	-	-	-	9,353	-	9,353
Shares issued for time-based earnout payments	648,880	2,267	-	-	-	2,267	-	2,267
Shares issued for consideration in business combinations (Note 23)	604,861	1,814	-	-	-	1,814	-	1,814
Stock-based compensation (Note 20)	-	-	24,483	-	-	24,483	-	24,483
Non-controlling interests via business combination (Note 23)	-	-	-	-	-	-	2,638	2,638
Distributions paid to non-controlling interests	-	-	-	-	-	-	(22,060)	(22,060)
Other transactions with non-controlling interests	-	-	(159)	-	-	(159)	(5,174)	(5,333)
Foreign currency translation of foreign subsidiaries	-	-	-	33,676	-	33,676	286	33,962
Net income for the period	-	-	-	-	1,369	1,369	17,306	18,675
Balance at December 31, 2022	**231,047,290**	**705,186**	**51,765**	**39,059**	**(63,666)**	**732,344**	**82,907**	**815,251**

The accompanying notes are an integral part of these audited consolidated financial statements.

WELL Health Technologies Corp.
Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars unless otherwise stated)

	Years ended	
	December 31, 2023 $'000	December 31, 2022 $'000
Cash flows provided by/(used in)		
Operating activities		
Net income for the period	**16,637**	18,675
Adjustments to net income for non-cash items:		
Interest income accretion	**(286)**	(197)
Interest expense accretion	**13,606**	12,795
Time-based earnout payments settled via shares	**4,096**	2,267
Unrealized foreign exchange loss and others	**(7,000)**	2,280
Loss (Gain) on revaluation of deferred acquisition cost liability	**12,469**	(27,750)
Change in fair value of investments	**(42,560)**	(282)
Depreciation and amortization (Notes 13 and 14)	**60,768**	55,203
Gain on disposal of investments (Note 23)	**(1,563)**	(5,206)
Share of net loss of associates	**378**	396
Stock-based compensation (Note 20)	**26,162**	24,483
Non-cash loss (gain) included in other income	**4,400**	(60)
Deferred income taxes	**(10,421)**	(978)
Change in non-cash operating items (Note 27)	**(10,249)**	(5,080)
Net cash provided by operating activities	**66,437**	76,546
Investing activities		
Business acquisitions, net of cash acquired (Notes 23 and 27)	**(48,862)**	(16,295)
Asset acqusitions (Notes 23 and 27)	**(17,277)**	(211)
Proceeds from disposal of investments (Note 23)	**11,563**	16,510
Equity and debt investments in associates and others (Note 27)	**(6,641)**	-
Other transactions with non-controlling interests	**(1,551)**	-
Acquisition of property and equipment and internally generated intangible assets	**(8,107)**	(6,404)
Settlement of working capital holdbacks	**(880)**	(185)
Settlement of deferred acquisition costs (Note 16(a))	**(9,560)**	(31,341)
Net cash used in investing activities	**(81,315)**	(37,926)
Financing activities		
Proceeds from private placements (Note 20)	**-**	34,513
Share issue costs (Note 20)	**-**	(2,230)
Shares repurchased under NCIB (Note 20)	**-**	(243)
Payment of interest on convertible debentures (Note 17(b))	**(3,850)**	(4,235)
Proceeds from loans and borrowings	**106,864**	48,729
Repayments of loans and borrowings	**(55,509)**	(97,937)
Proceeds from stock options exercised	**810**	1,168
Transactions with non-controlling interests	**(25,101)**	(23,070)
Lease payments (Note 18(a))	**(13,410)**	(10,276)
Lease payments received (Note 18(b))	**824**	734
Net cash provided by (used in) financing activities	**10,628**	(52,847)
Effects of foreign exchange difference on cash and cash equivalents	**(532)**	1,216
Cash reclassified to assets held for sale (Note 24)	**(703)**	-
Net change in cash	**(5,485)**	(13,011)
Cash and cash equivalents - beginning of period	**48,908**	61,919
Cash and cash equivalents - end of period	**43,423**	48,908
Cash paid for:		
Interest	**(23,051)**	(16,073)
Income tax	**(14,869)**	(5,294)
	(37,920)	(21,367)

The accompanying notes are an integral part of these audited consolidated financial statements.

1. Nature of operations

WELL Health Technologies Corp. (the "Company") 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. The Company was incorporated under the Business Corporations Act of British Columbia on November 23, 2010. The Company's common shares trade on the Toronto Stock Exchange (the "TSX") under the symbol WELL.

The Company's head office is located at Suite 550 - 375 Water Street, Vancouver, BC, V6B 5C6.

These audited annual consolidated financial statements were approved for issuance by the Company's Board of Directors on March 20, 2024.

2. Basis of presentation

These audited annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These audited annual consolidated financial statements have been prepared on the historical cost basis except with respect to certain financial instruments which are measured at fair value (Note 26). All financial information in these audited annual consolidated financial statements, except share and per share amounts, is presented in thousands of Canadian dollars.

The preparation of audited annual consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the audited annual consolidated financial statements are disclosed in Note 4.

3. Material accounting policy information

The significant accounting policies used in the preparation of these audited annual consolidated financial statements are described below.

a) Basis of consolidation

These audited annual consolidated financial statements include the assets, liabilities and results of operations of the Company and all subsidiaries that are controlled by the Company for the years ended December 31, 2023, and 2022.

Control over a subsidiary exists when the Company is exposed to and has the rights to variable returns of the subsidiary and has the ability to affect those returns through its power over the entity. The existence and effect of voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Company and are deconsolidated from the date control ceases. Intercompany transactions, balances, and unrealized gains/losses on transactions between subsidiaries are eliminated on consolidation.

b) Business combinations

The Company applies the acquisition method to account for business combinations. Consideration for the acquisition of a subsidiary is measured at fair value and includes assets transferred, equities issued as well as any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any non-controlling interests are recognized at the non-controlling interest's proportionate share of the fair value of the net assets acquired. Acquisition related costs are expensed as incurred.

Goodwill is initially measured as the excess of the consideration paid over the fair value of net identifiable assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of loss and comprehensive loss.

The Company recognizes contingent consideration relating to its business combinations at fair value at the date the transaction closes and revalues the component of contingent consideration recognized as a liability at each subsequent reporting date and on settlement through earnings. Contingent consideration that will be settled by delivering a fixed number of common shares is classified as equity and not revalued at each subsequent reporting date.

Asset acquisitions are accounted for at cost. The acquisition cost includes directly related acquisition costs and transaction costs. The cost of the acquisition is allocated to the net assets acquired on a relative fair value basis. Contingent consideration, where the arrangement is not a derivative, is recognized when it is probable and estimable. After the initial acquisition accounting, changes in contingent and deferred consideration are recorded as an adjustment to the related asset.

The Company recognizes any non-controlling interest on consolidation at the fair value of the proportionate share of the net assets acquired. When the Company acquires an asset via a step transaction, the Company remeasures and adjusts any previously held interest to fair value.

c) Foreign currency translation

(i) Functional and presentation currency

The Company's audited annual consolidated financial statements are presented in Canadian dollars.

Each of the Company's subsidiaries determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The determination of functional currency is based on the primary economic environment in which an entity operates. The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity.

The functional currency of Circle Medical Technologies, Inc. ("Circle Medical"), CRH Medical Corporation ("CRH") and WISP Inc. ("WISP") is the US dollar. The functional currency of Intrahealth Australia Limited is the Australian dollar, and the functional currency of Intrahealth New Zealand Limited and Intrahealth Systems Limited is the New Zealand dollar. The functional currency of all other entities in the consolidated group is the Canadian dollar.

(ii) Foreign operations translation

Foreign operations that have a functional currency other than the Canadian dollar are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing foreign currency rate at the date of that consolidated statement of financial position;
- income and expenses are translated at the average exchange rate for that period (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rate on the dates of the transactions); and
- all resulting foreign currency gains and losses are recognized in other comprehensive income (loss) as a foreign currency translation adjustment.

The relevant amount of cumulative foreign currency translation adjustment is reclassified to earnings upon disposition of a foreign operation.

(iii) Transactions in foreign currency

Foreign currency transactions for each entity are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions (or using the average rate for the period when this is a reasonable approximation). Period end balances of monetary assets and liabilities denominated in currencies other than an entity's functional currency are translated into the entity's functional currency using period end foreign currency rates. Foreign exchange gains and losses resulting from the translation or settlement of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

d) Cash and cash equivalents

Cash and cash equivalents in the audited annual consolidated statements of financial position and audited annual consolidated statements of cash flows comprise cash in banks and short-term monetary instruments with initial maturities of three months or less when purchased or which are redeemable at face value on demand.

e) Financial instruments and hedge accounting

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.

Financial instruments are subsequently measured based on their classification as follows:

- Financial instruments measured at fair value through the consolidated statement of income (loss) ("FVPL");
- Financial instruments measured at fair value through other comprehensive income ("FVOCI"); or
- Financial instruments measured at amortized cost.

(i) Financial Assets

Financial assets may be classified as FVPL, FVOCI or at amortized cost depending on the entity's business model for managing the financial assets, and the contractual cash flows.

The Company measures financial assets (except for those classified as FVPL) at their fair value plus transaction costs. Transaction costs of financial assets carried at fair value through profit or loss ("FVPL") are expensed in the consolidated statement of income (loss).

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is recognized using the effective interest method. Foreign exchange gains and losses as well as any gain or loss arising on derecognition are recognized in the consolidated statement of income (loss).
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). Movements in the carrying amount are recorded through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the consolidated statement of income (loss). When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated statement of loss.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in the consolidated statement of income (loss).

Equity Instruments

Unless an election is made, the Company subsequently measures all equity investments at FVPL. When the Company has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of loss following the derecognition of the investment.

Changes in the fair value of financial assets at FVPL are recognized in the audited annual consolidated statement of income (loss). Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company uses the expected credit loss model for assessing impairment of financial assets and recognises expected credit losses as loss allowances for assets measured at amortized cost or FVOCI. For accounts receivable, the Company maintains an allowance for doubtful accounts for the estimated expected credit losses resulting from the inability of its customers to make required payments. In determining the allowance, the Company considers factors such as the number of days the account is past due, whether or not the customer continues to receive service, the Company's past collection history and changes in business circumstances.

(ii) Financial Liabilities

Financial liabilities are classified as either FVPL or at amortized cost.

- FVPL: Financial liabilities carried at FVPL are initially recorded at fair value and transaction costs are expensed in the audited annual consolidated statement of income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial liabilities held at FVPL are generally recognized in the audited annual consolidated statement of income (loss) in the period in which they arise. This includes contingent consideration in business combinations.
- Financial liabilities at amortized cost: Financial liabilities carried at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

(iii) Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments to manage risk associated with foreign currency rates and interest rates. Derivative financial instruments are initially measured at fair value. When derivative financial instruments are designated in a qualifying hedging relationship and hedge accounting is applied, the effectiveness of the hedges is measured at the end of each reporting period and the effective portion of changes in fair value is recognized in other comprehensive income (loss) and any ineffective portion is recognized immediately in net income (loss). For interest rate swaps used to manage risk associated with interest rates, amounts are transferred from accumulated other comprehensive income to interest expense when the underlying transaction affects net income (loss). The Company has not currently designated any foreign exchange forward contracts used to manage risk associated with foreign currency contracts in a qualifying hedging relationship. For derivative instruments not in a qualifying hedging relationship, changes in fair value are recognized immediately in net income (loss) as either foreign exchange gain (loss) or interest expense, as appropriate.

A contract that could result in the delivery of a variable number of the Company's own common shares is considered a financial instrument and is measured at FVPL. Directly attributable transaction costs are expensed through the audited annual consolidated statement of income (loss).

(iv) Compound Financial Instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. If the conversion feature meets the definition of equity, the fair value of the liability component is estimated at the date of issue of the instrument using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability (net of transaction costs) on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. Transaction costs are apportioned between the liability and equity components of the convertible instruments, based on the allocation of proceeds to the financial liability and equity components when the instruments are initially recognized. Interest related to the financial liability component is recognized in the consolidated statement of loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

If the conversion feature of a convertible instrument issued does not meet the definition of an equity instrument, it is classified as an embedded derivative and measured accordingly. The debt component of the instrument is determined by deducting the fair value of the equity conversion option at inception from the fair value of the consideration received for the instrument as a whole. This amount (the debt component) is recorded as a liability on an amortized cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

f) Investments in associates and joint ventures

An associate is an entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the Company recognizes its share of the profit or loss and OCI of these entities, until the date on which significant influence or joint control ceases.

g) Stock-based compensation

The Company maintains stock-based compensation plans whereby employees and consultants may be granted awards in the form of stock options, restricted share units ("RSUs") and performance share units ("PSUs"). Stock-based compensation expense relates to the fair value of the awards being expensed over their respective vesting periods.

Stock options

The fair value of stock options granted is measured using the Black-Scholes option pricing model ("BSM") on the grant date taking into account the terms and conditions upon which the options were granted. The fair value of each tranche of options is recognized as an expense on a straight-line basis over its vesting period. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

The BSM requires management to estimate the expected volatility, the term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. In estimating expected volatility, the Company considers the historical share price volatility of its common shares.

The fair value of stock options is charged to profit or loss with a corresponding increase in contributed surplus within equity. Previously recognized expenses are not subsequently reversed for options that vest but are not exercised. If and when stock options are ultimately exercised, the applicable amount of contributed surplus is transferred to share capital.

RSUs and PSUs

The fair value of RSUs and PSUs that contain performance conditions is measured based on the closing price of the Company's common shares on the date of grant. The fair value of each tranche of RSUs or PSUs granted is recognized as expense on a straight-line basis over its vesting period. The fair value of RSUs/PSUs is charged to profit or loss with a corresponding increase in contributed surplus within equity. The amount recognized as an expense is based on the estimate of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Upon vesting of equity settled RSUs/PSUs, the related contributed surplus associated with the RSU/PSU is reclassified into share capital.

h) Revenue recognition

The Company recognizes revenue from contracts with customers by applying the following steps:

- Identification of the contract, or contracts, with customers;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations.

Revenue for each performance obligation is recognized either over time or at a point in time. For performance obligations satisfied over time, revenue is recognized as the services are provided or rateably over the contractual term. Revenue for performance obligations satisfied at a point in time is recognized when control of the item or service transfers to the customer. Determining when a performance obligation has been satisfied requires judgment. The Company believes that the revenue recognition methods described below faithfully depict the transfer of the services and the satisfaction of performance obligations. All revenue is recorded at the amount received or receivable from customers.

See Note 5 for a breakdown of the Company's revenue from contracts with customers. See Note 9 for the Company's balance of accounts receivable, all of which is attributable to revenue generated from contracts with customers. When payments are received from customers in advance of performance obligations being satisfied, amounts are recorded as unearned revenue on the consolidated statement of financial position.

The Company generates its revenue from the following sources:

Patient Services revenue

Patient services revenue is derived from (a) the provision of patient services, (b) the provision of anesthesia services, (c) the provision of recruiting services for placement of healthcare professionals (d) ligator product sales, and (e) executive health patient memberships.

Patient services revenue is revenue earned at a single point in time and is generated through the Company's medical clinics and virtual platforms and consists of both non-insured and insured services. In Canada, public insured services refer to revenue generated for providing publicly accessible healthcare services that are reimbursed by the Canadian provincial health authorities. For services not covered by government reimbursement, amounts are charged directly to patients and/or third parties. In the U.S., revenue relates to services billed to third-party payors based third-party payor agreements, as well as to patients who have health insurance, but are also financially responsible for some or all of the services in the form of co-pays, co-insurance or deductibles. Patients who do not have health insurance are required to pay for their services in full. The Company's performance obligations for clinical services are satisfied when services are rendered. For public insured services and most services paid for by patients, cash is typically collected within one month of the appointment visit. For service paid for by third-party payors, cash is typically collected within six months of the appointment visit.

For patient services provided in the U.S. and charged to third-party payors or patients, the Company recognizes revenue net of provisions for contractual adjustments from third-party payors and patients. The Company has certain agreements with third-party payors that provide for reimbursement at amounts different from the Company's standard billing rates. The differences between the estimated reimbursement rates and the standard billing rates are accounted for as contractual adjustments, which are deducted from gross revenue to arrive at patient services revenue. The Company estimates implicit price concessions based on the Company's historical collection experience with classes of patients or procedures performed using a portfolio approach as a practical expedient to account for patient contracts as collective groups rather than individually. The financial statement impacts of using this practical expedient are not materially different from an individual contract approach. Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to revenue in the period of the change.

Revenue is also generated from patient visits to its platforms or websites to have access to the Company's professional provider network of medical practitioners and to purchase product or services through the websites. Revenue is generated mainly on a per-telehealth visit basis. Revenue is recognized when the performance obligation is satisfied, which occurs when the patients have access to the medical practitioners via the Company's telehealth platform, as consultation services are provided, or when products are delivered. The Company also generates subscription revenue from medical practitioners' access to the Company's telehealth platform to service their patients. Revenue is recognised over the period of time the medical practitioners have access to the platform.

Anesthesia service revenues are derived from anesthesia procedures performed under CRH Medical Corporation's ("CRH") professional services agreements. The fees for such services are billed either to a third-party payor, Medicare or Medicaid or other government insurers, or to the patient. The Company recognizes anesthesia service revenues, net of contractual adjustments, which are estimated based on the historical trend of cash collections and contractual adjustments. There is significant judgment involved in determining the estimated revenues that will be collected in the future due to the judgment required in estimating the amounts that third party payors will pay for services based on past collections. The transaction price is variable; variable consideration relates to contractual allowances, credit provisions and other discounts. IFRS requires management to estimate the transaction price, including any implicit concessions from the credit approval process. The Company adopted a portfolio approach to estimate variable consideration transaction price by payor type (patient, government and/or insurer) and the specifics of the services being provided. These portfolios share characteristics such that the results of applying a portfolio approach are not materially different than if the standard was applied to individual patient contracts. Revenue is recognized upon completion of the related services.

Recruiting revenue consists primarily of fees earned from the temporary and permanent placement of healthcare professionals. Revenue is recognized over time as control of these services is transferred to the customers and in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. The Company recognizes the majority of its revenue at the contractual amount the Company has the right to invoice for services completed to date based on hours worked. In providing services, the Company controls the selection of providers fulfilling temporary and permanent placements. Additionally, the Company bears the risk for any services not fully paid for by customers. As such, the Company has recognized revenue on a gross basis.

Ligator product sales revenue is recognized at the time the product is shipped, which is when title passes to the customer, and when all significant contractual obligations have been satisfied, collection is probable, and the amount of revenue can be estimated reliably. Product sales contracts generally contain a single distinct performance obligation, but multiple performance obligations may exist when multiple product types are ordered by a physician in a contract. The transaction price for product sales is fixed and no variable consideration exists. Contract consideration is allocated to each distinct performance obligation in the contract based upon available stand-alone selling prices obtained from historical sales transactions for each product. Shipping services performed after control has passed to the customer, if any, are separate performance obligations, but are determined to be nominal.

Executive health patient membership revenue from private and corporate clients is recognized rateably over the contractual term of membership.

<u>SaaS and Technology Services revenue</u>

SaaS and Technology services revenue is derived from the provision of (a) Electronic Medical Records ("EMR") services, (b) cybersecurity consulting services, hardware, and software licenses, (c) billing-as-a-service ("BaaS") revenue, and (d) Software-as-a-service ("SaaS") revenue.

EMR services revenue is revenue earned over a period of time and is generated by providing support, hosting, and related services to clinics across Canada that use the OSCAR, Juno, and Profile (Intrahealth) and Cerebrum (AwareMD) EMR systems. EMR services revenue is typically for terms ranging from monthly to annually and is prepaid by customers in advance of the Company rendering the service. The Company's EMR service arrangements are non-cancelable and do not contain refund-type provisions. The Company's performance obligations for digital services are satisfied as services are rendered over the term of the service arrangement. Cash is typically collected upfront prior to services being rendered.

Cybersecurity services revenue is generated primarily from:

(a) consulting services which consist of assessing a customer's cybersecurity vulnerabilities. The Company recognizes revenue when the vulnerability report is delivered to the customer. Consulting services revenue also includes revenue from security support services, incident response services, and is in general recognized over the time period the services are delivered;

(b) hardware sales which are recognized when control has passed to the customer, which is usually upon delivery of the product to the customer; and

(c) software license sales and software support are assessed on a case-by-case basis to determine if the transaction contains a single or multiple performance obligations and if the Company is acting as the principal or as an agent. If the Company determines it is acting as the principal, the Company records revenue on a gross basis. If the Company determines it is acting as an agent, the Company records revenue on a net basis.

Billing-as-a-service revenue is generated on a recurring basis, typically via a monthly subscription fee from providing outsourcing billing services to physicians. The Company recognizes revenue from the related services over the period during which the contract covers as this is consistent with the period during which the performance obligation is completed.

SaaS revenue is mainly derived from licenses to our EMR-integrated patient engagement tools and digital applications.

i) Income taxes

Income tax is comprised of current and deferred tax. Income tax is recognized in the audited annual consolidated statement of income (loss) and comprehensive income (loss) except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax 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. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

In general, deferred tax is recognized in respect of deferred tax consequences attributable to unused tax loss carry-forwards, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. However, the following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit;
- goodwill; and
- investments in subsidiaries, branches and associates, and interests in joint arrangements where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred income tax assets and liabilities are presented as non-current and are determined on a undiscounted basis.

j) Share capital

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognized as a deduction from equity. Share issuance costs consist of legal and other costs relating to raising capital. Share capital issued for non-monetary consideration is recorded at an amount based on the fair value of the services provided.

k) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common shareholders by the weighted average number of common shares issued and outstanding during the period. Diluted earnings (loss) per share is computed by adjusting basic earnings (loss) per share for the effects of all potentially dilutive stock options, warrants and similar instruments. The Company uses the treasury stock method to compute the dilutive effect of stock options, warrants, and similar instruments unless they are anti-dilutive. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of stock options, warrants, and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

l) Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation expense is calculated using the straight-line method to allocate the cost of the assets net of residual values over their estimated useful lives as follows:

• Computer equipment	3 years
• Furniture and fixtures	5 years
• Medical equipment	5 – 15 years
• Right-of-use assets	Term of the right of use plus renewal options
• Leasehold improvements	Term of lease plus renewal options, or 20 years

m) Intangible assets

The Company's intangible assets arose from business combinations and asset acquisitions and consist of customer relationships (including professional services agreements), brands, technology, licenses, and goodwill. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives and are measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets other than goodwill are amortized over the following periods:

- Customer relationships — 10 – 15 years
- Brands — 10 years
- Technology — 5 – 13 years
- Licenses — Indefinite

Goodwill is measured at cost less accumulated impairment losses.

Goodwill and intangible assets with indefinite lives are tested for impairment at least annually. Goodwill, intangible assets with indefinite or finite lives, property and equipment are also tested for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may be less than its recoverable amount.

For impairment testing, non-financial assets that do not generate independent cash flows are grouped together into cash-generating units (CGUs), which represent the level at which largely independent cash flows are generated. Goodwill is allocated to CGUs or groups of CGUs based on the level at which it is monitored for internal reporting purposes.

An impairment loss is recognized in earnings to the extent that the carrying value of an asset, CGU or group of CGUs exceeds its estimated recoverable amount. The recoverable amount of an asset, CGU or group of CGUs is the greater of its value in use and its fair value less cost to sell. Value in use is calculated as the present value of the estimated future cash flows discounted at appropriate discount rates.

An impairment loss relating to a specific asset reduces the carrying value of the asset. An impairment loss relating to a CGU or group of CGUs first reduces the carrying value of the goodwill allocated to the CGU or group of CGUs, then reduces the carrying value of the other assets of the CGU or group of CGUs on a pro-rata basis. An impairment loss in respect of goodwill is not reversed. A previously recognized impairment loss relating to other non-financial assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss related to non-financial assets other than goodwill is reversed if there is a subsequent increase in recoverable amount, but only to the extent of the carrying value that would have been determined, net of depreciation or amortization, if no impairment had been recognized.

n) Leases

At the inception of a lease contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys that right of control of the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period, and; (iii) the Company has the right to direct the use of the asset.

Leases – the Company as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company presents right-of-use assets in property and equipment. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term plus expected renewal options which are available to the Company. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any identified, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate for leases.

Lease payments included in the measurement of the lease liability are comprised of: (i) fixed payments; (ii) variable lease payments that depend on an index rate, initially measured using the index as at the commencement date; (iii) amounts expected to be payable under a residual value guarantee; (iv) the exercise price under purchase option that the Company is reasonably certain to exercise; (v) lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and (vi) penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company recognizes a depreciation charge for right-of-use assets and interest expense on lease liabilities in the consolidated statement of income (loss).

On the audited annual consolidated statement of cash flows, the Company includes repayments of the principal portion of the lease liabilities under financing activities. Lease payments for short-term leases, lease payment for leases of low-value assets that are not included in the measurement of the lease liability are classified as cash flows from operating activities.

Subleases – the Company as a lessor

In classifying a sublease, the Company classifies the sublease as a finance lease, or an operating lease as follows:

- If the head lease is a short-term lease, the sublease is classified as an operating lease.
- Otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

o) Adoption of accounting standards

Amendments to IAS 12 – Income Taxes

In May 2023, the IASB issued International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12 (the "Amendments") to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules (Pillar Two income taxes). The Amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception applies immediately, and the remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023. The application of the new standard amendments had no significant impact on the Company's consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB amended IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The implementation of these standard amendments resulted in no significant impact on the Company's consolidated financial statements.

In October 2022, the IASB introduced amendments to IAS 1, emphasizing that covenants for long-term debt, regardless whether the covenants were compliant after the reporting date, should not affect debt classification; instead, companies are required to disclose information about these covenants in the notes accompanying their financial statements. The amendments are effect for reporting periods beginning on or after January 1, 2024 and are to be applied retrospectively in accordance with IAS 8 with early adoption permitted. The Company is evaluating the amendments but does not expect them to have a material impact on its consolidated financial statements.

As at December 31, 2023, there are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions and applies judgments in the application of its accounting policies when preparing the consolidated financial statements. The resulting accounting estimates will, by definition, rarely equal the related actual results. The accounting policies subject to judgments and estimation uncertainty that the Company believes have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are summarized as follows:

Revenue recognition

Estimates are required in the determination of the timing and amount of anesthesia services revenues and certain patient services revenues and the recoverability of the related accounts receivable. The Company recognizes anesthesia service revenues and certain patient services 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) or groups of 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 and the allocation of goodwill to CGUs or groups of CGUs is based on management's judgment with regards to organizational structure, shared resources and 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.

Investment in subsidiaries and associates

When accounting for its investments in other entities, the Company must determine which entities it controls and over which entities it has significant influence. Control over a subsidiary exists when the Company is exposed to and has the rights to variable returns of the subsidiary and has the ability to affect those returns through its power over the entity. Significant influence exists when the Company has the power to participate in the financial and operating policy decisions of an entity but does not control or jointly control those policies. The Company applies considerable judgment when evaluating the relevant interests, rights, relationships, and other relevant factors to determine whether it controls another entity or has significant influence over another entity.

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.

Recognition of contingent consideration

In certain acquisitions, the purchase consideration transferred by the Company 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 change in the fair value of the contingent consideration classified as either a deferred acquisition cost liability at the date of acquisition or as a time-based earnout recognized as expense over time during the post-acquisition requisite service period is included in net income or loss in the period that the change is determined. 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 commencement.

Assets held for sale

Judgment is required in assessing whether certain assets meet the criteria to be classified as held for sale as at December 31, 2023. For non-current assets and disposal groups to be considered as held for sale, the asset or disposal group must be available for immediate disposal, by sale or otherwise, in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups and its sale must be highly probable.

Fair value of financial instruments

The Company uses various valuation methodologies when estimating the fair value of its financial assets and financial liabilities. Fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated using internal and external valuation models including discounted cash flow analysis, option pricing models and other more complex mathematical models, as applicable. Fair values determined using valuation models require the use of estimates and assumptions concerning the amount and timing of estimated future cash flows, discount rates, credit risk, and other factors. In determining these assumptions, the Company uses primarily external, readily observable market inputs, including share prices, interest rates, credit spreads and historical share price volatilities, as applicable. Assumptions or inputs that are not based on observable market data are used when external data are unavailable including expected share price volatility, expected terms, restriction period discounts and other inputs. Management applies significant judgment in selecting the valuation model to be used for estimating fair value for each financial instrument, determining model input assumptions, determining which inputs are significant to the valuation, and when applying adjustments to model values for un-observable factors. The fair value estimates that require the most significant judgment and estimation relate to the Company's investments in HEALWELL including convertibles debentures, warrants and call option (Note 11(a)) and the Company's deferred acquisition cost liabilities (Note 16), and the resulting change in fair value of investments as reported in the consolidated statement of income (loss) (Note 11(a)).

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

Hedge accounting

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

5. Revenue

The following table shows the details of revenues for the years ended December 31, 2023, and 2022:

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Public insured	**231,390**	187,332
Non-public and other	**475,910**	324,300
Patient Services	**707,300**	511,632
SaaS and Technology Services	**68,754**	57,504
Total Revenue	**776,054**	569,136

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

6. General and administrative expenses

The following table shows the details of general and administrative expenses for the years ended December 31, 2023, and 2022:

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Salaries and benefits	**128,222**	100,352
Professional and consulting fees	**21,863**	17,481
Office expenses	**20,330**	12,317
Marketing and promotion	**64,289**	47,695
Other	**16,112**	21,778
	250,816	199,623

7. Interest

The following table shows a breakdown of interest income and interest expense for the years ended December 31, 2023, and 2022:

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Interest accretion on subleases (Note 18(b))	**126**	128
Interest income on cash and cash equivalents and others	**637**	521
Interest income	**763**	649
Interest on loans and borrowings	**(19,954)**	(12,547)
Interest on convertible debentures (Note 17(b))	**(8,592)**	(7,205)
Interest accretion on leases (Note 18(a))	**(2,798)**	(2,588)
Accretion of discount on deferred acquisition costs (Note 16(a))	**(1,283)**	(2,428)
Amortization of deferred financing fees	**(976)**	(523)
Interest expense	**(33,603)**	(25,291)

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

8. Time-based earnout (expense) recovery

The following table shows a breakdown of time-based earnout (expense) recovery for the years ended December 31, 2023, and 2022:

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Time-based earnout expense	**(7,513)**	(11,983)
Loss on settlement of certain deferred acquisition cost and time-based earnout liabilities via shares	**(1,430)**	-
Gain (loss) on revaluation of deferred acquisition cost liability (Note 16(a))	**(12,469)**	27,750
	(21,412)	15,767

During the year ended December 31, 2023, the Company recognized a loss of $12,469 on revaluation of the deferred acquisition cost liability relating to the MyHealth acquisition. The revaluation reflected the impact from an agreement signed in February 2023 that amended the terms of the MyHealth earnout arrangement, MyHealth's 2023 financial performance, and the resulting changes in estimates and assumptions relating to MyHealth future financial performance over the earnout period based on the amended agreement. During the year ended December 31, 2022, the Company recognized a gain of $27,750 on the revaluation of the MyHealth deferred acquisition cost liability. On a cumulative basis, the net gain to date was $15,281.

The earnings measure defined in the earnout agreement used to determine the amount of the MyHealth earnout obligation represents an unobservable input in the fair valuation calculation. Any increase or decrease in the earnings measure projection would result in a higher or lower fair value of the deferred acquisition cost liability and would have a corresponding impact on the loss recognized during the year ended December 31, 2023 and the gain recognized during the year ended December 31, 2022. The Company determined that reasonably possible changes in the key assumptions relating to projecting the MyHealth earnings measure would not have resulted in a material impact on the Company's consolidated financial statements.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

9. Accounts and other receivables

The following table shows the details of the Company's accounts and other receivables as at December 31, 2023 and December 31, 2022:

	December 31, 2023 $'000	December 31, 2022 $'000
Accounts Receivable - gross	**97,991**	82,533
Less: Expected credit losses	**(3,000)**	(3,619)
	94,991	78,914
Accounts receivable - gross		
Canadian Patient Services - Primary	**9,581**	4,120
Canadian Patient Services - Specialized - MyHealth	**10,279**	11,616
U.S. Patient Services - Primary - Circle	**14,360**	9,771
U.S. Patient Services - Primary - WISP	**898**	372
U.S. Patient Services - Specialized - CRH Medical	**38,233**	45,652
U.S. Patient Services - Specialized - Provider Staffing	**13,290**	-
SAAS and Technology Services and others	**11,350**	11,002
	97,991	82,533

The Company evaluates credit losses on a periodic basis based on the aging and collectability of its accounts receivable. As at December 31, 2023, the Company recognized expected credit losses of $3,000 (December 31, 2022 - $3,619), which have been recorded as a reduction of accounts receivable. The expected lifetime credit loss provision for trade receivables is based on historical counterparty default rates and is adjusted for relevant forward-looking information as required.

10. Prepayments and other assets

	December 31, 2023 $'000	December 31, 2022 $'000
Current:		
Prepaid expenses	**6,395**	4,233
Income tax receivable	**6,955**	11,789
Employee receivable (Note 21)	**7,157**	4,575
Others	**980**	520
	21,487	21,117
Non-current:		
Others	**4,393**	3,177
	25,880	24,294

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

11. Financial assets at fair value through profit and loss

The following table provides the carrying values of the Company's investments in financial assets measured at fair value through profit and loss as at December 31, 2023 and December 31, 2022:

		December 31, 2023 $'000	December 31, 2022 $'000
HEALWELL	(a)	**45,940**	-
Tali.ai	(b)	**2,094**	1,051
Phelix	(c)	**2,859**	834
Anesthesia RCM	(d)	**2,666**	2,731
Others		**2,611**	1,020
		56,170	5,636

Financial asset investments include debt, equity and derivative instruments and are measured at fair value through profit and loss (FVPL) in accordance with IFRS 9. The Company uses various fair value techniques to estimate the fair value of these investments. During the year ended December 31, 2023, the Company recognized fair value gains totalling $42,560 on these investments (2022 – nil).

(a) Investment in HEALWELL AI Inc. ("HEALWELL")

On October 1, 2023, as part of a strategic alliance and investment transaction with HEALWELL the Company acquired an interest in HEALWELL in the form of convertible debentures, warrants and a call option (Note 12(d)).

The following table summarizes, for each financial instrument, the consideration allocated (the transaction price) on October 1, 2023, the fair values as of October 1, 2023 and December 31, 2023 and the fair value gain recognized for the year ended December 31, 2023:

Financial instrument	Consideration allocated on October 1, 2023	Fair value on October 1, 2023	Fair value on December 31, 2023	Gain for the year ended December 31, 2023
Convertible debentures	$3,170	$10,660	$15,160	$11,890
Warrants	830	7,390	11,280	10,450
Call option	1,920	13,428	19,500	17,580
Total	**$5,920**	**$31,478**	**$45,940**	**$39,920**

During the year ended December 31, 2023, the Company recognized a fair value gain of $39,920 on the HEALWELL financial instruments comprised of (a) the difference between the fair value at initial recognition and the transaction price of $25,558 and (b) the increase in fair value from October 1, 2023 to December 31, 2023 of $14,362, including the impact of accrued interest income of $100.

The Company recognized the difference between the fair value at initial recognition and the transaction price into earnings immediately post acquisition as it determined that the gain arose from a change in observable and unobservable factors that market participants would take into account when pricing the assets post acquisition. Management applied significant judgment when determining the factors that market participants would take into account when pricing the assets, including both financial and qualitative inputs, as well as the changes in these factors post acquisition and their significance to the valuation. Any changes to this assessment could have had a material impact on the timing of recognition of the gain arising from the difference between the fair value at initial recognition and the transaction price.

The fair values of the HEALWELL convertible debentures, warrants and call option were estimated using complex mathematical models or option pricing models that incorporate directly observable market inputs for HEALWELL share price, risk-free interest rates and credit spreads and unobservable inputs for expected share price volatilities, expected terms and restriction period discounts, as applicable. Any increase to expected share price volatility, increase in expected term and reduction to restriction period discount would result in higher fair values for these financial instruments, and vice versa. The Company determined that reasonably possible changes to these unobservable inputs, as applicable, would not have a material impact on the fair valuation calculations and the gains recognized in net income for the year ended December 31, 2023.

(b) Investment in 11855760 Canada Inc. dba Tali.ai ("Tali.ai")

On December 13, 2021, the Company entered into a secured convertible promissory note and warrant transaction with Tali.ai for $1,000. The convertible promissory note bore interest at a rate of 8% per annum, with a maturity date of December 13, 2025. On October 16, 2023, the Company subscribed for shares in Tali.ai and exercised a portion of its warrants for consideration of $622. The Company also converted its promissory notes (including accrued interest income of $60) to shares. The Company estimated the fair value of the investment to be $2,094 at December 31, 2023 and recognized a fair value gain on of $361 on the investment during the year ended December 31, 2023.

(c) Investment in Phelix AI Inc. ("Phelix")

In May and September 2020, the Company entered into secured convertible promissory note and warrant transactions with Phelix for a total of $280. The convertible promissory notes bore interest at a rate of 10% per annum, compounded annually, from the date of issue, and had three-year terms. On March 1, 2021, the Company converted the outstanding principal and accrued interest of convertible promissory notes into common shares of Phelix. In 2021, the Company also subscribed for additional shares of Phelix for $523 (US$412). The Company estimated the fair value of the investment to be $2,859 at December 31, 2023 and recognized a fair value gain on of $2,023 on the investment during the year ended December 31, 2023.

(d) Investment in an anesthesia revenue cycle management organization ("Anesthesia RCM")

The Company, through acquisition of its CRH Medical subsidiary in 2021, acquired an equity investment in Anesthesia RCM for $2,520 (US$2,016). The carrying value of the investment of $2,666, which represents cost adjusted for foreign currency translation, approximates fair value as of December 31, 2023.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

12. Investments in subsidiaries and associates

(a) Material subsidiaries

The Company's principal subsidiaries at December 31, 2023 are set out below. Unless otherwise stated, these subsidiaries have share capital consisting solely of common shares that are held directly by the Company, and the proportion of ownership interest held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by WELL 2023	2022	Ownership interest held by non-controlling interest 2023	2022	Principal activities
CRH Medical Corporation ("CRH")[1]	US	100%	100%	0%	0%	Specialised Patient Services
MyHealth Partners Inc.	Canada	100%	100%	0%	0%	Specialised Patient Services
Circle Medical Technologies, Inc.	US	70%	70%	30%	30%	SaaS and Technology Services
WISP, Inc.	US	53%	53%	47%	47%	SaaS and Technology Services

(1) As at December 31, 2023, CRH had 70 (2022 – 47) operating subsidiaries for which ownership interests range from 51% to 100%

(b) Non-controlling interests (NCI)

Set out below is summarized financial information for the Company's subsidiary, CRH, that has non-controlling interests that are material to the Company. The amounts disclosed are before inter-company eliminations.

Summarized balance sheets

	December 31, 2023 $'000	December 31, 2022 $'000
Current assets	**63,546**	94,331
Non-current assets	**593,977**	602,525
Total assets	**657,523**	696,856
Current liabilities	**(17,058)**	(16,185)
Non-current liabilities	**(277,933)**	(184,522)
Total liabilities	**(294,991)**	(200,707)
Net assets	**362,532**	496,149
Accumulated NCI	**69,334**	77,425

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

Summarized statements of comprehensive income

	December 31, 2023 $'000	December 31, 2022 $'000
Revenue	**302,423**	202,015
Profit for the period	**15,855**	30,881
Other comprehensive income	**(12,294)**	31,715
Total comprehensive income	**3,561**	62,596
Profit allocated to NCI	**16,117**	14,616
Dividends paid to NCI	**24,614**	21,426

Summarized cash flows

	December 31, 2023 $'000	December 31, 2022 $'000
Cash flows from operating activities	**57,536**	80,742
Cash flows from investing activities	**(53,142)**	(16,184)
Cash flows from financing activities	**(2,799)**	(63,406)
Net increase in cash and cash equivalents	**1,595**	1,152

(c) Other transactions with non-controlling interests

On November 1, 2023, the Company increased its equity ownership of Destin Anesthesia, LLC from 70% to 90%.

On April 1, 2023, the Company, through its subsidiary CRH, sold its 51% interest in Western Ohio Sedation Associates, LLC ("WOSA") and released any remaining restrictive covenants relating to this entity on a contemporaneous basis. Total cash consideration received was $11,059 (US$8,172).

On September 1, 2022, the Company, through its subsidiary CRH, sold its 55% interest in West Florida Anesthesia Associates, LLC ("WFAA") and contemporaneously released the remaining restrictive covenants relating to this business and a related entity. Total cash consideration received was $16,510 (US$12,396).

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

(d) Investments accounted for using the equity method

The Company had the following interests in associates at December 31, 2023 that are accounted for using the equity method.

Name of entity	Place of business/ country of incorporation	Economic ownership interest percentage	Voting interest percentage(1)	Dates acquired	Nature of relationship	Carrying value
HEALWELL AI Inc. ("HEALWELL")(i)	Canada	1%	8%	October 17, 2023 and December 22, 2023	Associate	$700
Simpill Health Group Inc. ("Pillway")(ii)	Canada	25%	25%	December 2, 2020	Associate	$3,990

(1) Including impact of currently exercisable potential voting rights.

(i) HEALWELL

On October 1, 2023, the Company completed a strategic alliance and investment transaction with HEALWELL (TSX: AIDX, formerly MCI Onehealth Technologies Inc.), a healthcare technology company focused on AI and data science for preventative care, whereby it acquired or obtained the following (collectively the "HEALWELL Transaction"):

- certain Ontario based clinical assets including 14 medical and allied care clinics and an 80% interest in MCI Prime Urgent Care Clinic Inc. from MCI Medical Clinics Inc., a subsidiary of HEALWELL (Note 23(a));
- $6,204 in secured debt plus accrued interest due from HEALWELL to a lender of and related party to HEALWELL with interest at prime plus 9% and maturity date of April 30, 2024;
- $4,000 of convertible debentures in HEALWELL with five-year maturity, 10% interest coupon and five to one warrant coverage. The convertible debentures and 20,000,000 warrants are convertible to Class A Subordinate Voting shares of HEALWELL at $0.20 per share;
- a conditional call option to purchase up to 30,800,000 Class A Subordinate Voting shares of HEALWELL at $0.125 per share and 30,800,000 Class B Multiple Voting shares in HEALWELL at $0.0001 per share over time. The call option is not exercisable until both of the following trigger conditions have been met:
  (a) a capital raise threshold whereby HEALWELL has completed one or more public offerings or private placements for aggregate gross proceeds in cash of not less than $20,000 (including proceeds from its convertible debt financing that occurred on October 1, 2023); and
  (b) one or both of the following have occurred:
    i. two years from October 1, 2023 have elapsed; or
    ii. the consolidated Adjusted EBITDA of HEALWELL (based on the definition of Adjusted EBITDA adopted by the Company in its MD&A filed with the securities

commissions) has been greater than zero for any two consecutive fiscal quarters following the effective date of October 1, 2023; and

- representation on HEALWELL's board of directors.

Total consideration paid by the Company in relation to the HEALWELL Transaction was $8,784, consisting of cash of $5,500 and shares of the Company with value of $3,284 on October 1, 2023. The convertible debentures plus warrants were accounted for as a standalone transaction for consideration of $4,000. The remaining consideration of $4,784 was allocated to the other assets based on their relative fair values at the date of acquisition including $2,864 to the clinical assets, $1,920 to the call option and $nil to the secured debt receivable. No consideration was allocated to the secured debt receivable as the Company is committed to forgiving the debt as soon as certain conditions are met.

In the fourth quarter of 2023, the Company invested a total of $700 in Class A Subordinate Voting shares of HEALWELL as part of HEALWELL's bought deal equity financings.

Based on all relationships with and interests in HEALWELL, the Company determined that it had significant influence over the operating and financial policies of HEALWELL as of October 1, 2023 despite having less than 20% of the voting rights of HEALWELL, including currently exercisable potential voting rights. Accordingly, the Company's equity investment in HEALWELL has been accounted for using the equity method. The fair value of the Company's equity investment in HEALWELL was $719 at December 31, 2023 based on Level 1 observable inputs of the fair value hierarchy.

The table below provides summarized annual consolidated financial information for HEALWELL as of and for the year ended December 31, 2023. The information disclosed reflects the amounts presented in the financial statements of HEALWELL and not the Company's share of those amounts.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

Summarized financial information	**December 31, 2023 $ '000**
Current assets	**22,756**
Non-current assets	**31,440**
Total assets	**54,196**
Current liabilities	**(9,420)**
Non-current liabilities	**(22,812)**
Total liabilities	**(32,232)**
Net assets	**21,964**

	Period from January 1, 2023 to December 31, 2023 $ '000
Revenue from continuing operations	**7,317**
Net loss from continuing operations	**(30,199)**
Net loss from discontinued operations	**(1,346)**
Net loss and comprehensive loss	**(31,545)**
WELL's share of net loss (October 1, 2023 to December 31, 2023)	**(31)**

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

(ii) Pillway

On December 2, 2020, the Company acquired a 25% equity interest in Pillway, a digital pharmacy that provides e-prescription products and services in Canada. The table below provides summarized annual financial information for Pillway as of and for the year ended December 31, 2023. The information disclosed reflects the amounts presented in the consolidated financial statements of Pillway and not the Company's share of those amounts.

Summarized financial information	**December 31, 2023 $ '000**	December 31, 2022 $ '000
Current assets	**10,851**	2,833
Non-current assets	**556**	375
Total assets	**11,407**	3,208
Current liabilities	**(674)**	(383)
Non-current liabilities	**(404)**	(436)
Total liabilities	**(1,078)**	(819)
Net assets	**10,329**	2,389
Revenue	**3,148**	2,874
Net loss	**(1,512)**	(1,200)
WELL's share of net loss	**(378)**	(300)

(iii) Other interests

On January 1, 2022, the Company increased equity ownership of Western Carolina Sedation Associates LLC from 15% to 51%; and on December 1, 2022, the Company increased equity ownership of Focus Mental Wellness Inc. from 20% to 51%. See Note 23 below for further information.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

13. Property and equipment

	Computer Equipmen	Furniture and Fixtures	Medical Equipment	Leasehold Improvements	Construction in Progress	Right-of-use assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Restated balance at December 31, 2021	**2,118**	**1,323**	**12,478**	**11,152**	**-**	**55,985**	**83,056**
Additions	1,038	348	1,604	1,502	59	2,429	6,980
Acquired via business combinations (Note 23)	117	-	123	-	-	4,727	4,967
Exchange difference	12	(15)	(5)	15	-	(91)	(84)
Depreciation for the period	(1,212)	(160)	(2,412)	(530)	-	(8,070)	(12,384)
Closing net book value December 31, 2022	**2,073**	**1,496**	**11,788**	**12,139**	**59**	**54,980**	**82,535**
Additions	1,739	287	3,199	417	37	17,948	23,627
Acquired via business combinations (Note 23)	113	54	500	-	-	11,560	12,227
End of lease/Early terminations	-	-	-	-	-	(92)	(92)
Assets classified as held for sale (Note 24)	(56)	-	-	-	-	-	(56)
Exchange difference	71	30	18	7	-	(760)	(634)
Depreciation for the period	(1,608)	(177)	(1,909)	(822)	-	(10,551)	(15,067)
Closing net book value December 31, 2023	**2,332**	**1,690**	**13,596**	**11,741**	**96**	**73,085**	**102,540**
As at December 31, 2023:							
Cost	6,192	2,474	18,957	13,860	96	103,003	144,582
Accumulated depreciation	(3,860)	(784)	(5,361)	(2,119)	-	(29,918)	(42,042)
	2,332	**1,690**	**13,596**	**11,741**	**96**	**73,085**	**102,540**

The Company had the following classes of right-of-use assets as of December 31, 2023 and 2022. Net book values and depreciation amounts by class for the years ended December 31, 2023 and 2022 are as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Office and clinics premises	**72,968**	54,646
Office and medical equipment	**117**	334
Net book value	**73,085**	54,980

	For the years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Office and clinics premises	**10,438**	7,953
Office and medical equipment	**113**	117
Depreciation	**10,551**	8,070

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

14. Intangible assets and Goodwill

	Customer relationships $'000	Technology $'000	Brands $'000	Licences $'000	Intangibles Total $'000	Goodwill $'000
COST						
Restated balance at December 31, 2021	**392,818**	**28,596**	**9,735**	**183,483**	**614,632**	**471,549**
Acquired via asset acquisitions	-	-	-	830	**830**	**-**
Acquired via business combination (Note 23)	28,273	-	-	-	**28,273**	**12,882**
Internally generated intangible assets	-	1,852	-	-	**1,852**	**-**
Disposals/others	(28,869)	-	-	(1,800)	**(30,669)**	**(5,859)**
Exchange difference on foreign currency translation	39,782	860	185	-	**40,827**	**20,718**
Balance at December 31, 2022	**432,004**	**31,308**	**9,920**	**182,513**	**655,745**	**499,290**
PPA finalization	574	476	-	-	**1,050**	**(801)**
Acquired via asset acquisitions	-	-	-	-	**-**	**-**
Acquired via business combination (Note 23)	48,329	-	4,959	-	**53,288**	**23,547**
Internally generated intangible assets	-	2,428	-	-	**2,428**	**-**
Assets classified as held for sale (Note 24) and other disposals	(25,327)	(3,854)	-	(752)	**(29,933)**	**(6,491)**
Exchange difference on foreign currency translation	(14,135)	(357)	(55)	-	**(14,547)**	**(7,484)**
Balance at December 31, 2023	**441,445**	**30,001**	**14,824**	**181,761**	**668,031**	**508,061**
ACCUMULATED AMORTIZATION						
Restated balance at December 31, 2021	**(35,023)**	**(2,551)**	**(379)**	**-**	**(37,953)**	**-**
Amortization for the period	(38,687)	(3,151)	(981)	-	**(42,819)**	**-**
Disposals	13,680	-	-	-	**13,680**	**-**
Exchange difference on foreign currency translation	(17,300)	(86)	-	-	**(17,386)**	**-**
Balance at December 31, 2022	**(77,330)**	**(5,788)**	**(1,360)**	**-**	**(84,478)**	**-**
Amortization for the period	(40,749)	(3,461)	(1,491)	-	**(45,701)**	**-**
Assets classified as held for sale (Note 24) and other disposals	7,760	568	2,120	-	**10,448**	**-**
Exchange difference on foreign currency translation	6,840	49	11	-	**6,900**	**-**
Balance at December 31, 2023	**(103,479)**	**(8,632)**	**(720)**	**-**	**(112,831)**	**-**
NET CARRYING AMOUNTS						
As at December 31, 2022	**354,674**	**25,520**	**8,560**	**182,513**	**571,267**	**499,290**
As at December 31, 2023	**337,966**	**21,369**	**14,104**	**181,761**	**555,200**	**508,061**

During the year ended December 31, 2023, the Company finalized the purchase accounting for the fair values of the assets and liabilities of certain entities acquired in 2022 including HealthVue Ventures Ltd. ("HVL") and South Surrey Medical Clinic Inc. ("SSMC"), Cloud Practice Inc. ("CP") and HASU Behavioural Health Inc. ("HASU"). As a result, fair values of $574, and $476, were recognized as Customer relationships, and Technology, respectively, with a decrease in goodwill as of December 31, 2023 (see Note 23). The Company tests goodwill and indefinite life intangible assets for impairment on an annual basis as at September 30 and whenever events or changes in circumstances indicate that an asset's carrying amount may be less than its recoverable amount.

As described in Note 22, effective January 1, 2023, the Company updated its reportable segments after a change in organizational structure and a corresponding change in internal reporting to the chief operating decision-maker. In connection with the change in reportable segments, the Company also re-evaluated the allocation of goodwill and indefinite life intangible assets to CGU's or groups of CGU's for impairment testing. For certain CGUs, management began monitoring goodwill at a higher level across groups of CGUs during 2023, rather than at the individual CGU level, due to continued business integration in management, product and service offerings and infrastructure within these groups of CGUs. Accordingly, for impairment tests performed as of September 30, 2023, the Company identified the following CGUs or groups of CGUs to which goodwill and/or indefinite life intangible assets have been allocated, each of which was tested for impairment: (i) WELL Clinics, (ii) CRH, (iii) MyHealth, (iv) Circle Medical, (v) Wisp, (vi) Provider Solutions, and (vii) Cybersecurity.

For the year ended December 31, 2022, the Company had identified the following CGUs to which goodwill and/or indefinite life intangible assets had been allocated, each of which was tested for impairment: (i) WELL Clinics, (ii) CRH Anesthesia, (iii) CRH Product, (iv) MyHealth, (v) Insig, (vi) Circle Medical, (vii) Wisp, (viii) WELL EMR Group, (ix) Intrahealth, (x) AwareMD, (xi) Adracare, (xii) CognisantMD, (xiii) DoctorCare, (xiv) Source44, and (xv) Cycura.

For impairment tests performed as at September 30, 2023 and September 30, 2022, the recoverable amount of each CGU or group of CGUs was determined based on its value-in-use using a discounted cash flow approach. Discounted cash flows were based on five-year cash flow projections derived from financial budgets or forecasts approved by management using the following key assumptions:

a) Average annual revenue growth rate

The average annual revenue growth rate for each CGU or group of CGUs was estimated based on historical growth and management's expectations of market development.

b) Discount rate

The discount rate for each CGU or group of CGUs was determined by estimating a weighted average cost of capital reflecting the time value of money and risks associated with the business.

c) Terminal growth rate

The terminal growth rate is based on management's current assessment of the long-term growth outlook for each CGU or group of CGUs and expected economic conditions in the jurisdiction in which it operates.

Impairment tests as at September 30, 2023

The carrying values of goodwill and indefinite life intangible assets as well as key assumptions used for each CGU or group of CGUs for the impairment tests performed as at September 30, 2023 were as follows:

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

CGU or group of CGUs	Carrying value of CGU or group of CGUs	Carrying value of goodwill in CGU or group of CGUs	Carrying value of indefinite life intangible assets in CGU or group of CGUs	Average annual revenue growth rate	Discount rate	Terminal growth rate
	$'000	$'000	$'000			
WELL Clinics	93,860	70,503	-	5.7%	10.1%	3%
CRH	573,660	265,380	-	5.0%	10.9%	3%
MyHealth	246,598	42,099	173,453	5.6%	10.1%	3%
Circle Medical	36,938	21,259	-	36%	12.2%	3%
Wisp	86,289	68,165	-	28%	12.9%	3%
Provider Solutions	86,698	58,914	-	13%	11.3%	3%
Cybersecurity	22,452	18,709	-	21%	11.7%	3%

a) Impairment test results:

The Company did not recognize an impairment loss related to goodwill or intangible assets in 2023 because the recoverable amounts of the Company's CGUs or groups of CGUs, as applicable, exceeded their carrying values.

For the CRH CGU, the Company performed the goodwill impairment test as of September 30, 2023 excluding the carrying value of CarePlus Medical Corporation ("CPMC") which was acquired on July 1, 2023 (Note 23(a)). The Company finalized the purchase price allocations for CPMC in the fourth quarter of 2023. Based on the valuation procedures performed and absence of indicators of impairment as of December 31 2023, the Company concluded that the recoverable amount exceeded the carrying value as of December 31, 2023.

Subsequent to the acquisition of CPMC, the Company split the CRH reportable segment into two new reportable segments and CGUs, CRH Medical and CRH Provider Staffing. Goodwill of $10,629 that arose on the acquisition of CPMC was allocated to the CRH Provider Staffing CGU.

b) Sensitivity analysis:

For the impairment tests performed as at September 30, 2023, the Company determined that a reasonably possible change in each key assumption, including possible consequential changes between key assumptions, would not result in an impairment loss except for the CRH and MyHealth CGUs.

The estimated recoverable amount of the CRH and MyHealth CGUs exceeded their carrying values by $103,650 and $23,293, respectively. If the assumptions used in the impairment tests were changed by an amount greater than as presented in the following table, the changes would, in isolation, lead to an impairment loss being recognized for the year ended December 31, 2023:

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

	Change required for carrying value to equal recoverable amount	
	CRH	MyHealth
Average annual growth rate	-2.53%	-0.61%
Discount rate	1.52%	0.69%

Impairment tests as at September 30, 2022

The carrying values of goodwill and indefinite life intangible assets as well as key assumptions used for each CGU for the impairment tests performed as at September 30, 2022 were as follows:

CGU	Carrying value of CGU	Carrying value of goodwill in CGU	Carrying value of indefinite life intangible assets in CGU	Average annual revenue growth rate	Discount rate	Terminal growth rate
	$'000	$'000	$'000			
WELL Clinics	49,269	32,839	-	9.4%	9.3%	3%
CRH Anesthesia	488,145	154,280	-	3.6%	9.6%	3%
CRH Product	114,770	83,731	-	8.1%	9.6%	3%
MyHealth	255,398	42,166	174,203	6.8%	9.3%	3%
Insig	33,896	29,879	-	22.6%	10.8%	3%
Circle Medical	36,814	21,553	-	52.4%	10.9%	3%
Wisp	84,157	69,108	-	40.0%	11.5%	3%
WELL EMR Group	23,902	13,386	-	9.3%	10.5%	3%
Intrahealth	13,507	10,116	-	10.2%	10.8%	3%
AwareMD	6,874	5,275	-	18.6%	10.5%	3%
Adracare	3,540	2,900	-	24.6%	10.5%	3%
CognisantMD	17,839	12,012	-	20.7%	10.5%	3%
Doctorcare	11,682	8,986	-	13.3%	10.5%	3%
Source44	10,745	8,078	-	6.9%	10.8%	3%
Cycura	2,866	1,826	-	5.9%	10.8%	3%

a) Impairment test results:

The Company did not recognize an impairment loss related to goodwill or intangible assets in 2022 because the recoverable amounts of the Company’s CGUs exceeded their carrying values.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

b) Sensitivity analysis:

For the impairment tests performed as at September 30, 2022, the Company determined that a reasonably possible change in each key assumption, including possible consequential changes between key assumptions, would not result in an impairment loss except for the CRH Products, Insig, Adracare and AwareMD CGUs.

The estimated recoverable amount of the CRH Products, Insig, Adracare and AwareMD CGUs exceeded their carrying values by $6,143, $715, $1,508 and $488, respectively. If the assumptions used in the impairment tests were changed by an amount greater than as presented in the following table, the changes would, in isolation, lead to an impairment loss being recognized for the year ended December 31, 2022:

	Change required for carrying value to equal recoverable amount			
	CRH Products	Insig	Adracare	AwareMD
Average annual growth rate	-0.62%	-0.60%	-2.00%	-0.30%
Discount rate	0.23%	0.14%	2.34%	0.42%

15. Unearned revenue

	December 31, 2023 $'000	December 31, 2022 $'000
Balance, beginning of period	**7,200**	4,752
Acquired via business combinations (Note 23)	**82**	1,885
Billings	**27,055**	23,558
Classified as held for sale (Note 24)	**(221)**	-
Revenue recognized	**(27,213)**	(22,995)
Balance, end of period	**6,903**	7,200
Current	**6,648**	6,797
Non-current	**255**	403
Balance, end of period	**6,903**	7,200

16. Deferred acquisition costs and other liabilities

(a) Deferred acquisition costs

Deferred acquisition costs are liabilities for certain time-based earnout payments that are treated as purchase consideration for business combinations and asset acquisitions (Note 23).

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

	December 31, 2023 $'000	December 31, 2022 $'000
Current	**14,493**	18,229
Non-current	**22,578**	20,268
	37,071	38,497

	$'000
Balance at December 31, 2021	85,603
Additions via business combinations and asset acquisitions (Note 23)	17,447
Accretion of discount	2,428
Settlement in cash	(31,341)
Settlement in common shares	(8,488)
Gain in settlement included in other income (expense)	(446)
Gain on revaluation included in time-based earnout expense	(27,750)
Exchange difference	1,044
Balance at December 31, 2022	**38,497**
Additions via business combinations and asset acquisitions (Note 23)	5,791
Accretion of discount	1,283
Settlement in cash	(9,560)
Settlement in common shares	(12,375)
Loss on settlement via shares	1,172
Loss on revaluation included in time-based earnout expense	12,469
Exchange difference	(206)
Balance at December 31, 2023	**37,071**

(b) Other Liabilities

	December 31, 2023 $'000	December 31, 2022 $'000
Current:		
Working capital holdback	**688**	1,207
Time-based earnouts	**7,083**	6,517
Income tax payable	**862**	4,201
Payroll liabilities and others	**12,454**	5,564
	21,087	17,489
Non-current:		
Time-based earnouts	**-**	636
Others	**3,577**	108
	3,577	744

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

17. Loans and borrowings, and convertible debentures

(a) Syndicated credit facilities

	December 31, 2023 $'000	December 31, 2022 $'000
CRH syndicated credit facility with JPM:		
Revolving loan	**145,873**	178,394
Term loan	**69,106**	-
WHCC and MyHealth syndicated credit facility with RBC:		
Revolving loan	**37,400**	28,400
Term loan	**44,375**	46,875
Other loans and borrowings	**722**	654
Less: Financing fees	**(1,875)**	(1,849)
Total Loans and Borrowings	**295,601**	252,474
Current portion	**42,258**	30,303
Non-current portion	**253,343**	222,171
Total Loans and Borrowings	**295,601**	252,474

(i) CRH syndicated credit facility with JPMorgan Chase Bank, N.A. (“JPM”):

The Company, through its wholly-owned subsidiaries, holds a syndicated four-year credit facility with JPM as syndicate lead which provides up to US$175 million in borrowing capacity and access to an accordion feature that increases the amount of the credit available to the Company by US$125 million. Until March 26, 2023, interest on the facility was calculated with reference to SOFR plus 1.25% to 2.50%, dependent on the total leverage ratio of the consolidated results of CRH. On March 27, 2023, the Company amended the credit facility to (i) convert the existing US$175 million revolving credit facility into a term loan facility of US$55 million and a revolving credit facility of US$120 million, (ii) adjust applicable margin on interest obligations such that interest is calculated with reference to SOFR plus 1.50% to 2.75%, dependent on the total leverage ratio of the consolidated financial results of CRH, and (iii) to amend certain financial covenants and other terms. The new term loan has a US$688 quarterly repayment requirement with the first repayment paid on March 31, 2023 as well as additional potential repayment requirements based on excess cash flow, dependent on the total leverage ratio of the consolidated financial results of CRH. The amended JPM facility is secured by the assets of CRH and matures on January 26, 2027 (Note 28). The Company has entered into interest rate swap agreements to hedge the variability of the cash flows attributable to changes in SOFR for a portion of the loans outstanding (Note 26(c)). As of December 31, 2023, the Company had drawn $214,979 (US$162,543) under this facility (December 31, 2022 – $178,394 (US$131,704)). The syndicated credit facility with JPM was re-financed on January 26, 2024 (Note 28).

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

(ii) WELL Health Clinics Canada Inc. ("WHCC") and MyHealth syndicated credit facility with Royal Bank of Canada ("RBC"):

The Company, through its wholly-owned subsidiaries, WHCC and MyHealth, holds a syndicated five-year revolving credit facility and a term loan with RBC as syndicate lead which provides up to $90 million revolving facility, a $50 million term loan facility and access to an accordion feature that increases the amount of the credit available to the Company by $60 million. Interest on the facility is calculated with reference to CDOR plus 1.50% to 3.25%, dependent on the total funded debt to EBITDA ratio of the consolidated results of WHCC and MyHealth. The RBC facility is secured by the assets of WHCC and MyHealth 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, 2023, the Company had drawn $81,775 under this facility (December 31, 2022 – $75,275). In March 2024, the Company completed an amendment to its syndicated credit facility to replace CDOR with the Canadian Overnight Repo Rate Average ("CORRA").

(iii) Financial covenants

The Company's syndicated credit facilities are subject to financial covenants based on the consolidated financial results of CRH, WHCC and MyHealth. The Company was in compliance with all financial covenants and other terms and conditions under its syndicated credit facilities as of December 31, 2023 and 2022.

(iv) Minimum principal repayments:

Total minimum principal repayments under the syndicated credit facilities were as follows as at December 31, 2023:

	CRH (JPM) US$'000	**WHCC and MyHealth (RBC) $'000**
2024	2,750	2,500
2025	159,793	2,500
2026	-	76,775
	162,543	**81,775**

The Company refinanced its syndicated credit facility with JPM on January 26, 2024 and extended the term to January 26, 2027. Minimum principal repayments after the amendment are $2,750 in each of 2024, 2025 and 2026 and $154,293 in 2027.

(b) Convertible debentures

November 2021 convertible debentures

On November 25, 2021, the Company issued 70,000 units of unsecured convertible debentures at one thousand dollars per unit for gross proceeds of $70,000. The notes are convertible into common shares of the Company, at the option of the holder, at $9.23 per share, at any time prior to one business day preceding the maturity date of December 31, 2026. The convertible debentures bear interest at a rate of 5.5% per annum, from the date of issue, payable semi-annually in arrears in cash on June 30 and December 31 each year. The first interest payment included interest from closing date up to (but excluding) June 30, 2022.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

The gross proceeds of $70,000 were allocated $43,479 to the liability component of the convertible debentures and $26,521 to the equity component (conversion right feature). Financing costs incurred in connection with the issuance of convertible debentures totalled $3,890. Financing costs were allocated based on the relative values of the liability and equity components at initial recognition. The allocated costs were netted against each component. Interest on the net liability component is determined using the effective interest method (19.63% annualised) and accreted over the term of the debentures.

	$'000
Balance as of December 31, 2021	**41,709**
Interest accretion (Note 7)	7,205
Interest paid	(4,235)
Balance as of December 31, 2022	**44,679**
Interest accretion (Note 7)	8,592
Interest paid	(3,850)
Balance as of December 31, 2023	**49,421**
Current (Interest payable within one year)	**3,850**
Non-current	**45,571**
	49,421

18. Leases

(a) Lease liability

The Company's lease liability as at December 31, 2023 and 2022 was as follows**:**

	December 31, 2023	December 31, 2022
	$'000	$'000
Current	**14,869**	9,107
Non-current	**66,392**	52,156
Total lease liability	**81,261**	61,263

The Company leases various office and clinic spaces for its operations and subleases its excess office and clinic spaces to subtenants. The Company also leases computer related equipment and medical equipment. Rental contracts are typically made for fixed periods of 1.25 to 15 years but may have extension options ranging from 3 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

As at December 31, 2023, the Company had rental contracts for 109 properties (2022 – 91), with an average remaining life to expiry (including extension term) of 6.20 years (2022 – 6.46 years). As at December 31, 2023, the Company had 6 leases (2022 – 6) with an average term of 5.47 years (2022 – 5.47) for office and medical equipment, and with an average remaining life of 0.77 years to the end of lease (2022 – 1.98 years).

Interest expense on lease liabilities is recognized in the consolidated statements of income (loss), and lease payments are recognized as financing activities in the consolidated statements of cash flows as follows:

	$'000
Balance at December 31, 2021	61,188
Exchange difference	283
New leases	2,753
Acquisitions during 2022 (Note 23)	4,727
Interest accretion (Note 7)	2,588
Lease cash payments	(10,276)
Balance at December 31, 2022	**61,263**
Exchange difference	(158)
New leases	18,319
Acquisitions during 2023 (Note 23)	12,671
Terminations	(98)
Interest accretion (Note 7)	2,798
Lease cash payments	(13,410)
Classified as held for sale (Note 24)	(124)
Balance at December 31, 2023	**81,261**

During the year ended December 31, 2023, the Company recognized $10,551 (2022 - $8,070) of depreciation expense related to right-of-use assets – see Note 13 for further information.

As at December 31, 2023, the minimum rent payments under lease liabilities were as follows:

	$'000
Not later than one year	18,670
Later than one year and not later than five years	56,006
Beyond 5 years	20,630
	95,306

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

(b) Lease receivable

The Company's lease receivable as at December 31, 2023 and December 31, 2022 was as follows:

	December 31, 2023	December 31, 2022
	$'000	$'000
Current	**1,107**	568
Non-current	**1,852**	1,880
Total lease receivable	**2,959**	2,448

Rental contracts for office subleases are typically made for fixed periods of 2 to 14 years but may have extension options ranging from 5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at December 31, 2023 and 2022, the Company had rental contracts for 13 properties (2022 – 12), with an average remaining life to expiry (including extension term) of 4.12 years (2022 – 4.80).

Interest income on lease receivable is recognized in the consolidated statements of income (loss) and lease payments received are recognized as financing activities in the consolidated statements of cash flows as follows:

	$'000
Balance at December 31, 2021	2,730
New leases	324
Interest accretion (Note 7)	128
Lease payments received	(734)
Balance at December 31, 2022	**2,448**
New leases	376
Acquisitions during 2023 (Note 23)	956
Interest accretion (Note 7)	126
Lease payments received	(824)
Classified as held for sale (Note 24)	(123)
Balance at December 31, 2023	**2,959**

As at December 31, 2023, the minimum rent payments expected to be received under lease receivables were as follows:

	$'000
Year 1	1,235
Year 2	666
Year 3	385
Year 4	328
Year 5	159
Year 6 +	848
	3,621

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

19. Income taxes

(a) Income tax expense (recovery) is comprised of the following:

	Years ended December 31, 2023 $'000	December 31, 2022 $'000
Current tax expense:		
Current period	**6,060**	9,792
Adjustment for prior periods	**6,625**	(6,912)
	12,685	2,880
Deferred tax recovery:		
Origination and reversal of temporary differences	**(4,767)**	(2,588)
Change in recognition of tax losses and deductible temporary differences	**(4,710)**	(581)
Change in tax rate	**(348)**	(861)
	(9,825)	(4,030)
Income tax expense (recovery)	**2,860**	(1,150)

(b) Income tax rate reconciliation

Reported income tax expense (recovery) differs from the amount computed by applying the combined Canadian federal and provincial income tax rates to loss before income tax due to the following:

	Years ended December 31, 2023 $'000	December 31, 2022 $'000
Income before income tax	**19,497**	17,525
Canadian statutory income tax rate	**27%**	27%
Expected income tax expense on income before tax	**5,264**	4,732
Adjusted for the effects of:		
Change in unrecognized deferred tax assets	**(3,346)**	4,510
Stock-based compensation	**5,507**	4,150
Share issue costs	**-**	(602)
Other items not includable or deductible for tax purposes	**(531)**	(3,465)
Foreign rate differences	**(31)**	(43)
Effects of tax rate changes	**(356)**	(824)
Adjustments for prior periods and other	**582**	(5,716)
Income attributable to non-controlling interests	**(4,229)**	(3,892)
Income tax expense (recovery)	**2,860**	(1,150)

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

(c) Recognized deferred tax (liabilities) assets

As at December 31, 2023, the Company had net recognized deferred tax (liabilities) assets related to its operations. The Company has recorded deferred income tax assets available as it is probable that the benefits of these assets will be realized. Movement in the deferred tax balances is recorded in the consolidated statements of income (loss) and in business combinations as described in Note 23. The following table summarizes the Company's recognized deferred tax (liabilities) assets as at December 31, 2023 and 2022:

	December 31, 2023 $'000	December 31, 2022 $'000
Deferred tax assets:		
Non-capital loss carry-forwards	**10,078**	5,971
Property and equipment	**1,025**	3,069
Share and debt transaction costs	**35**	35
Accrued interest	**14,925**	8,689
ROU assets, lease receivable, and lease liabilities	**791**	327
Contingent liability	**438**	620
Stock-based compensation	**2,244**	1,787
Other	**1,544**	-
Deferred tax liabilities:		
Intangible assets	**(44,431)**	(51,170)
Liabilities associated with assets held for sale (Note 24)	**662**	-
Other	**(5,798)**	(34)
Net deferred tax liabilities	**(18,487)**	(30,706)

(d) Unrecognized deferred tax assets

As at December 31, 2023, the Company also had unrecognized deferred tax assets related to its operations. These deferred tax assets have not been recognized in the consolidated statements of financial position because of the significant uncertainty regarding whether such benefits will be realized. The following table summarizes the Company's deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets is recognized as at December 31, 2023 and December 31, 2022:

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

	December 31, 2023 $'000	December 31, 2022 $'000
Non-capital loss carryforwards	**44,006**	54,983
Capital loss carryforwards	**4,641**	4,641
Property and equipment	**5,432**	8,206
Share and debt transaction costs	**1,839**	5,292
ROU Assets, lease receivable, and lease liabilities	**2,405**	2,305
Convertible debentures	**8,353**	3,612
Charitable donations	**102**	102
Unrecognized deferred tax assets	**66,778**	79,141

(e) Non-capital losses

The Company has operating losses which are available to reduce future year's taxable income in their respective country. The Company's recognized and unrecognized non-capital loss carry forwards expire as follows:

	Canada $'000	United States $'000	Australia $'000	New Zealand $'000	Total $'000
2032	93	-	-	-	93
2033	468	-	-	-	468
2034	603	-	-	-	603
2035	356	-	-	-	356
2036	163	-	-	-	163
2037	404	-	-	-	404
2038	1,459	-	-	-	1,459
2039	6,412	-	-	-	6,412
2040	12,943	-	-	-	12,943
2041	17,876	-	-	-	17,876
2042	28,060	-	-	-	28,060
2043	2,633	-	-	-	2,633
Unlimited	-	9,723	1,218	813	11,754
Total	**71,470**	**9,723**	**1,218**	**813**	**83,224**

20. Share Capital

(a) Authorized

Unlimited common shares without par value.

(b) Issued Common Shares

As at December 31, 2023, the issued share capital consisted of 241,427,825 (December 31, 2022 – 231,047,290) common shares.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

(c) Private Placements

During the year ended December 31, 2022, the Company completed a private placement financing for gross proceeds of $34,513. The financing was structured as a bought deal offering of 9,327,765 common shares at a price of $3.70 per share. Share issue costs incurred in connection with this financing were $2,184.

(d) Normal Course Issuer Bid ("NCIB")

On May 30, 2022, the Company received approval from the TSX for a renewal of the NCIB that expired on May 11, 2022. Under the NCIB, the Company may acquire up to an aggregate of 5,555,386 common shares from June 1, 2022 to May 31, 2023. In accordance with TSX rules, daily purchases made by the Company on the TSX will not exceed 276,932 common shares, subject to certain prescribed exemptions, being 25% of the average daily trading volume over the preceding six calendar months of 1,107,730 common shares. No shares were purchased under the NCIB that expired on May 31, 2023.

On May 31, 2023, the Company received approval from the TSX for a renewal of the NCIB that expired on May 31, 2023. Under the renewed NCIB, the Company may acquire up to an aggregate of 5,884,589 common shares from June 5, 2023 to June 4, 2024. In accordance with TSX rules, daily purchases made by the Company on the TSX will not exceed 213,962 common shares, subject to certain prescribed exemptions, being 25% of the average daily trading volume over the preceding six calendar months of 855,850 common shares. No shares have been purchased under the current NCIB.

(e) Options to purchase common shares

(i) Movement in stock options

The changes in stock options during the years ended December 31, 2023 and December 31, 2022 were as follows:

	2023		2022	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Balance outstanding, beginning of year	**3,054,041**	**1.74**	6,437,274	1.03
Options granted	**-**	**-**	168,702	3.95
Options exercised	**(890,157)**	**(0.78)**	(3,132,286)	(0.60)
Options expired	**(17,351)**	**(5.98)**	(407,774)	(0.25)
Options forfeited	**(165,660)**	**(2.77)**	(11,875)	(2.77)
Balance outstanding, end of period	**1,980,873**	**1.79**	3,054,041	1.74

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

During the years ended December 31, 2023 and 2022, the Company recognized stock-based compensation expense of $703 and $1,323 respectively, relating to stock options in the audited annual consolidated statements of income (loss).

(ii) Stock options outstanding at the end of the period

The following table summarizes information relating to outstanding and exercisable stock options of the Company as at December 31, 2023:

Exercise price $	**Options outstanding**	**Options exercisable**	**Weighted average remaining contractual life (years)**
0.43	300,000	300,000	0.06
1.42	767,500	767,500	0.53
2.24	625,000	527,486	1.35
3.06	100,000	31,250	3.75
3.25	188,373	152,007	1.58
	1,980,873	**1,778,243**	**0.98**

The weighted average exercise price of options exercisable as at December 31, 2023 was $1.68 (December 31, 2022 - $1.37).

(iii) Fair value of stock options granted

The fair value of each stock option granted was estimated at the time of grant using the Black-Scholes option pricing model with the following significant inputs:

	Grant date	
	April 6, 2022	**September 30, 2022**
Exercise price	**5.24**	**3.06**
Share price	**5.00**	**3.08**
Risk-free interest rate	**2.51%**	**3.32%**
Expected term	**5 years**	**5 years**
Volatility	**69%**	**68%**
Expected dividend	**None**	**None**
Grant date fair value	**$2.89**	**$1.81**

In estimating expected volatility, the Company considers the historical share price volatility of its common shares.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

(f) Restricted Share Units ("RSUs")

The changes in RSUs during the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
	Number of RSUs	Number of RSUs
Balance outstanding, beginning of year	**3,884,965**	4,367,723
Units granted	**4,397,284**	2,322,763
Units forfeited	**(265,336)**	(258,234)
Units vested	**(2,951,845)**	(2,547,287)
Balance outstanding, end of period	**5,065,068**	3,884,965

During the years ended December 31, 2023 and 2022, the Company recognized stock-based compensation expense of $17,341 and $13,491, respectively, relating to RSUs in the audited annual consolidated statements of income (loss).

(g) Performance Share Units ("PSUs")

The changes in PSUs during the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
	Number of PSUs	Number of PSUs
Balance outstanding, beginning of year	**2,946,088**	1,505,091
Units granted	**2,150,174**	2,182,770
Units vested	**(1,307,962)**	(585,965)
Units forfeited	**(386,655)**	(155,808)
Balance outstanding, end of period	**3,401,645**	2,946,088

During the years ended December 31, 2023 and 2022, the Company recognized stock-based compensation expense of $8,118 and $9,669, respectively, relating to PSUs in the audited annual consolidated statements of income (loss).

21. Related Party Transactions

<u>Key Management Compensation</u>

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 consists of the Company's Board of Directors and certain members of the senior executive team. Key management personnel are the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO"). The remuneration of the Company's key management personnel during the years ended December 31, 2023 and 2022 was as follows:

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Salaries	**1,000**	950
Directors' fees	**240**	240
Stock-based compensation expense	**8,676**	5,339
	9,916	6,529

During the year ended December 31, 2023, the Company granted 1,696,979 RSUs (1,220,771 to the CEO, 112,157 to the CFO, 104,051 to the COO, and 260,000 to the Board of Directors), and 408,518 PSUs (208,518 to the CEO, 100,000 to the CFO, and 100,000 to the COO). For the year ended December 31, 2022, the Company granted 339,771 RSUs (119,274 to the CEO, 47,709 to the CFO, 33,396 to the COO and 139,392 to the Board of Directors), 200,379 PSUs (119,274 to the CEO, 47,709 to the CFO and 33,396 to the COO) and 100,000 stock options (all to the Board of Directors).

Included in other current assets as at December 31, 2023 and December 31, 2022 is $6,808 ($4,231 from the CEO, $1,531 from the CFO, and $1,046 from the COO) and $4,426 ($2,489 from the CEO, $857 from the CFO, $1,046 from the COO, and $34 from the Board of Directors), respectively, of receivables from related parties. These receivables were primarily due to payroll taxes on stock issuance with respect to the RSUs for the related parties.

22. Segment reporting

The Company is organized into operating segments based on its product and service offerings. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Effective January 1, 2023, the Company updated its reportable segments to split its former Virtual Services reportable segment into three reportable segments, Circle Medical, Wisp and SaaS and Technology Services, after a change in organizational structure and a corresponding change in internal reporting to the chief operating decision-maker. During the fourth quarter ended December 31, 2023 after the acquisition of CarePlus Medical Corporation on July 1, 2023, the Company split its CRH reportable segment into two reportable segments, CRH Medical and Provider Staffing. The Company now has seven reportable segments as shown below that are grouped into three key business units: Canadian Patient Services, WELL Health USA Patient Services and SaaS and Technology Services.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

Reportable Segment	Operations
Canadian Patient Services - Primary	Primary care and allied health clinic operations in Canada
Canadian Patient Services - Specialized MyHealth	Specialty care and accredited diagnostic health services from MyHealth
WELL Health USA Patient and Provider Services	
- Primary Circle Medical	U.S. primary care telehealth operations from Circle Medical
- Primary WISP	U.S. primary care operations from WISP
- Specialized CRH Medical	Specialized care gastroenterology anesthesia services
- Specialized Provider Staffing	Medical recruitment and staffing services
SaaS and Technology Services	Aggregation of electronic medical records ("EMR"), billing and revenue cycle management solutions, digital applications, and cybersecurity operating segments

For the years ended December 31, 2023 and 2022:

Year ended December 31, 2023

	<--Canadian Patient Services->			<----WELL Health USA Patient and Provider Services---->							
	Primary	Specialized-MyHealth	**TOTAL**	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing	**TOTAL**	**SaaS and Technology Services**	**Corporate /Shared Services**	**GRAND TOTAL**
	$'000	$'000	**$'000**	$'000	$'000	$'000	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Total segment revenue	119,214	111,315	**230,529**	96,621	77,875	249,420	55,418	**479,334**	**72,708**	**16,943**	**799,514**
Inter-segment revenue	(148)	-	**(148)**	-	-	(149)	(2,266)	**(2,415)**	**(3,954)**	**(16,943)**	**(23,460)**
Revenue from external customers	119,066	111,315	**230,381**	96,621	77,875	249,271	53,152	**476,919**	**68,754**	**-**	**776,054**
Segment profit (loss) before tax, interest and depreciation and amortization (1)	11,291	30,142	**41,433**	2,999	959	76,020	3,679	**83,657**	**9,981**	**(21,966)**	**113,105**
Goodwill and intangible assets	77,012	227,332	**304,344**	20,465	55,891	552,605	34,392	**663,353**	**95,564**	**-**	**1,063,261**

Year ended December 31, 2022 (restated)(2)

	<--Canadian Patient Services->			<----WELL Health USA Patient and Provider Services---->							
	Primary	Specialized-MyHealth	**TOTAL**	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing	**TOTAL**	**SaaS and Technology Services**	**Corporate /Shared Services**	**GRAND TOTAL**
	$'000	$'000	**$'000**	$'000	$'000	$'000	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Total segment revenue	77,833	104,238	**182,071**	69,397	58,183	202,137	-	**329,717**	**60,962**	**14,391**	**587,141**
Inter-segment revenue	(34)	-	**(34)**	-	-	(122)	-	**(122)**	**(3,458)**	**(14,391)**	**(18,005)**
Revenue from external customers	77,799	104,238	**182,037**	69,397	58,183	202,015	-	**329,595**	**57,504**	**-**	**569,136**
Segment profit (loss) before tax, interest and depreciation and amortization (1)	8,694	22,751	**31,445**	7,786	2,200	74,839	-	**84,825**	**3,551**	**(22,451)**	**97,370**
Goodwill and intangible assets	73,256	228,595	**301,851**	21,742	54,856	589,097	-	**665,695**	**103,011**	**-**	**1,070,557**

Notes:

1 (a) Included in segment profit (loss) is $64,289 and $47,695 of marketing and promotion expense for the years ended December 31, 2023 and 2022, respectively; and $26,162 and $24,483 of non-cash stock-based compensation expense for the years ended December 31, 2023 and 2022, respectively;

(b) Rent expense is neither included in general & administrative expenses nor in the above segment profit (loss) under IFRS 16; and

(c) Included a loss on revaluation of deferred acquisition cost liability in the amount of $12,469 (Note 8) under Corporate/Shared service for the year ended December 31, 2023 (2022 – gain of $27,750).

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

2 In 2023, the Company re-grouped its operating segments after changes in organizational structure and corresponding changes in internal reporting to the chief operating decision-maker. Prior year's presentation has been re-stated to align with the current year's grouping.

A reconciliation of net income before tax to segment profit before tax, interest and depreciation and amortization is as follows:

	Years ended December 31, 2023	December 31, 2022
	$'000	$'000
Segment profit before tax, interest, depreciation and amortization	**113,105**	97,370
Interest expense	**(33,603)**	(25,291)
Interest income	**763**	649
Depreciation and amortization	**(60,768)**	(55,203)
Net income before income tax	**19,497**	17,525

Geographic information

Revenue by geographic location of customers and goodwill and intangible assets by location are summarized as follows. For the years ended December 31, 2023 and 2022:

	US		**Canada and others**		**Canada (Corporate/shared services)**		**Total**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Total segment revenue	**477,068**	330,180	**303,237**	242,570	**16,834**	14,391	**797,139**	587,141
Inter-segment revenue	**(149)**	(122)	**(4,102)**	(3,492)	**(16,834)**	(14,391)	**(21,085)**	(18,005)
Revenue from external customers	**476,919**	330,058	**299,135**	239,078	**-**	-	**776,054**	569,136
Goodwill and intangible assets	**663,353**	667,540	**399,908**	403,017	**-**	-	**1,063,261**	1,070,557

23. Business combinations and asset acquisitions

The Company completed multiple business combinations and asset acquisitions during the years ended December 31, 2023 and 2022.

The purchase prices of these acquisitions were satisfied through, where applicable:

(i) cash paid to the vendor, net of working capital adjustments;
(ii) fair value of common shares of the Company issued to the vendor, determined at the opening share price on the date of the issuance;
(iii) fair value of common shares of a Company subsidiary issued to the vendor, determined as of the date of the issuance;
(iv) working capital/indemnification holdback; and

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

(v) deferred purchase consideration in the form of time-based earnout payments that is treated as a deferred acquisition cost.

Time-based earnout payments considered to be acquisition costs have been classified as financial liabilities are carried at amortized cost. Accordingly, the liability was measured at fair value on initial recognition and is subsequently being measured at amortized cost using the effective interest method.

For business combinations, the excess of the fair value of the purchase consideration over the fair values of assets and liabilities acquired is recognized as goodwill. Goodwill is attributable to the workforce, expected synergies and future profitability of the acquired businesses. The Company elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets, where applicable.

a) 2023 Acquisitions:

During the year ended December 31, 2023, the Company acquired interests in the following companies:

Company name	Date of Acquisition	Business/asset acquisition	% Ownership	Place of incorporation	Line of business
Affiliated Tampa Anesthesia Associates, LLC ("ATAA")	March 1, 2023	Asset	51%	U.S.	WELL Health USA Patient and Provider Services – Specialized CRH
Trillium Medical Billing Agency Inc. ("TMBA")	May 1, 2023	Business	100%	Canada	SaaS and Technology Services
MCI Medical Clinics (Alberta) Inc. ("MCI AB")	June 1, 2023	Business	100%	Canada	Canadian Patient Services - Primary
Lone Star Anesthesia Associates, LLC ("LSAA")	July 1, 2023	Asset	100%	U.S.	WELL Health USA Patient and Provider Services – Specialized CRH
Care Plus Medical Corporation ("CPMC")	July 1, 2023	Business	100%	U.S.	WELL Health USA Patient and Provider Services – Specialized CRH
Seekintoo Ltd. ("SKT")	August 1, 2023	Business	100%	Canada	SaaS and Technology Services
Proack Security Inc. ("PRO")	October 1, 2023	Business	100%	Canada	SaaS and Technology Services
MCI Ontario clinics ("MCI ON")	October 1, 2023	Business	100%	Canada	Canadian Patient Services – Primary
Manitoba clinic ("MBC")	December 1, 2023	Business	100%	Canada	Canadian Patient Services - Primary
Brooklin Medical Centre ("BMC")	October 1, 2023	Business	100%	Canada	Canadian Patient Services - Primary

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

The following table summarizes the fair value of the purchase consideration and the estimated fair values of assets and liabilities acquired at the acquisition dates for business combinations and asset acquisitions that occurred during the year ended December 31, 2023. Purchase price allocations have been classified as "Final" or "Provisional" based on the status of the work performed by the Company to determine net working capital or other adjustments and the fair value of the assets acquired and liabilities assumed at the acquisition date. The Company may adjust preliminary purchase price allocations, as necessary, up to one year after the acquisition closing date as new information is obtained about facts and circumstances that existed as of the closing date.

	ATAA	TMBA	MCI AB	LSAA	CPMC	SKT	Other*	Total
		Final	Final		Final	Final	Final/Prov	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash	6,173	263	1,000	11,104	48,098	-	2,510	69,148
Fair value of WELL shares issued at closing	-	270	504	-	-	1,708	1,364	3,846
Fair value of subsidiary's shares issued at closing	-	-	-	-	-	3,000	800	3,800
Working capital holdback	-	229	172	-	-	10	431	842
Deferred acquisition cost (Note 16(a))	-	1,290	-	1,194	-	2,221	1,086	5,791
Acquisition-related transaction cost	168	-	-	109	-	-	-	277
Purchase consideration	**6,341**	**2,052**	**1,676**	**12,407**	**48,098**	**6,939**	**6,191**	**83,704**
Assets and liabilities acquired								
Cash	-	132	(25)	-	1,905	311	686	3,009
Accounts receivable and other current assets	-	117	355	-	14,746	679	442	16,339
Other current assets	-	-	138	-	277	75	80	570
Lease receivable	-	-	305	-	-	-	651	956
Property and equipment	-	-	-	-	167	-	500	667
Right of use asset	-	-	747	-	286	212	10,315	11,560
Accounts payable	-	(16)	(791)	-	(5,909)	(103)	(163)	(6,982)
Unearned revenue	-	-	-	-	-	(82)	-	(82)
Other current liabilities	-	(100)	(6)	-	-	(250)	(228)	(584)
Lease labiltilies	-	-	(1,203)	-	(290)	(212)	(10,965)	(12,670)
Deferred tax liability	-	(274)	-	-	1,984	(510)	(64)	1,136
Non-controlling interest	(6,062)	-	-	-	(925)	-	(63)	(7,050)
Exclusive professional services agreement ("PSA") (Note 14)	12,403	-	-	12,407	20,269	-	-	45,079
Brand (Note 14)	-	-	-	-	4,959	-	-	4,959
Customer relationship (Note 14)	-	1,084	-	-	-	1,926	240	3,250
Goodwill (Note 14)	-	1,109	2,156	-	10,629	4,893	4,760	23,547
	6,341	**2,052**	**1,676**	**12,407**	**48,098**	**6,939**	**6,191**	**83,704**
PSA amortization term	15 years			10 years	10 years			

* PRO, MCI ON and BMC are Final. MBC is Provisional.

Revenue and net income for acquired businesses included in the Company's audited annual consolidated financial statements for the year ended December 31, 2023, from the date of acquisition of each business are as follows:

	TMBA	MCI AB	CPMC	SKT	Other
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	972	5,971	61,165	1,379	7,826
Net income	6	138	1,548	168	190

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

If the acquisitions had occurred on January 1, 2023, consolidated pro-forma revenue and net income for the year ended December 31, 2023 would have been $957,365 and $13,981 respectively.

2023 Disposals

On April 1, 2023, the Company sold its 51% interest in Western Ohio Sedation Associates, LLC ("WOSA") and released any remaining restrictive covenants relating to this entity on a contemporaneous basis. The Company received $11,059 (US$8,172) and recorded a pre-tax gain on disposal of $1,717 (US$1,274), net of transaction costs of $205 (US$147). The net gain resulted from the disposition of the net assets of the WOSA business including the remaining net book value of customer relationship intangible assets.

b) 2022 Acquisitions

During the year ended December 31, 2022, the Company acquired interests in the following companies:

Company name	Date of Acquisition	Business/asset acquisition	% Ownership	Place of incorporation	Line of business
Western Carolina Sedation Associates, LLC ("WCSA")	Jan 1, 2022	Asset	51%	US	WELL Health USA Patient and Provider Services – Specialized CRH
Greater Connecticut Anesthesia Associates, LLC ("GCAA")	Mar 7, 2022	Asset	100%	US	WELL Health USA Patient and Provider Services – Specialized CRH
INLIV ("INLIV")	Aug 1, 2022	Business	100%	Canada	Canadian Patient Services – Primary
Phymed of Arizona, LLC ("PHYMED")	Sep 26, 2022	Business	100%	US	WELL Health USA Patient and Provider Services – Specialized CRH
1330945 BC Ltd. (False Creek Wellness, "FCW")	Nov 1, 2022	Business	100%	Canada	Canadian Patient Services – Primary
HealthVue Ventures Ltd. ("HVL") and South Surrey Medical Clinic Inc. ("SSMC")	Nov 1, 2022	Business	100%	Canada	Canadian Patient Services – Primary
Cloud Practice Inc. ("CP")	Nov 1, 2022	Business	100%	Canada	SaaS and Technology Services
HASU Behavioural Health Inc. ("HASU")	Dec 1, 2022	Business	51%	Canada	Canadian Patient Services – Primary

The following table summarizes the fair value of the purchase consideration and the estimated fair values of assets and liabilities acquired at the acquisition dates for business combinations and asset acquisitions that occurred during the year ended December 31, 2022. During the year ended December 31, 2023, the Company finalized the purchase price allocations for FCW, HVL, SSMC, CP and HASU, all of which were acquired during the year ended December 31, 2022.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

	WCSA Final $'000	GCAA Final $'000	INLIV Final $'000	Phymed Final $'000	Other* Prov. $'000	Other* Adj. $'000	Other* Final $'000	Total $'000
Cash	1,649	-	1,645	10,020	5,402	32	5,434	18,748
Pre-transaction equity interest	765	-	-	-	-	-	-	765
Fair value of shares issued at closing	-	-	-	-	1,806	8	1,814	1,814
Working capital holdback	-	-	240	429	650	-	650	1,319
Deferred acquisition cost (Note 16(a))	143	15,796	-	-	1,508	-	1,508	17,447
Acquisition-related transaction cost	45	132	-	-	-	-	-	177
Fair value of previously held interest	-	-	-	-	169	-	169	169
Purchase consideration	**2,602**	**15,928**	**1,885**	**10,449**	**9,535**	**40**	**9,575**	**40,439**
Cash	31	-	-	254	868	(72)	796	1,081
Accounts receivable and other current assets	685	-	226	3,203	1,095	(33)	1,062	5,176
Property and equipment	-	-	234	7	-	-	-	241
Right-of-use asset	-	-	2,565	-	2,162	-	2,162	4,727
Accounts payable	(71)	-	(229)	(902)	(1,633)	179	(1,454)	(2,656)
Lease Liability	-	-	(2,565)	-	(2,162)	-	(2,162)	(4,727)
Unearned revenue	-	-	(1,885)	-	-	-	-	(1,885)
Deferred Tax liabilities	-	-	-	-	-	(283)	(283)	(283)
Non-controlling interest	(2,501)	-	-	-	(138)	-	(138)	(2,639)
Exclusive professional services agreement ("PSA")	4,458	15,928	-	7,887	-	-	-	28,273
Customer relationships	-	-	-	-	-	574	574	574
Technology	-	-	-	-	-	476	476	476
Goodwill	-	-	3,539	-	9,343	(801)	8,542	12,081
Assets and liabilities acquired	**2,602**	**15,928**	**1,885**	**10,449**	**9,535**	**40**	**9,575**	**40,439**

*FCW, HV, SSMC, CP and HASU

Revenue and net income for acquired businesses included in the Company's audited annual consolidated financial statements for the year ended December 31, 2022, from the date of acquisition of each business are as follows:

	Phymed $'000	Others $'000
Revenue	5,590	5,085
Net income	736	295

If the acquisitions had occurred on January 1, 2022, consolidated pro-forma revenue and net income for the year ended December 31, 2022 would have been $598,990 and $21,213, respectively.

2022 Disposals

On September 1, 2022, the Company, through its subsidiary CRH, sold its 55% interest in West Florida Anesthesia Associates, LLC ("WFAA") and contemporaneously released the remaining restrictive covenants relating to this business and a related entity. Total cash consideration received was $16,510 (US$12,396). The Company recognized a gain on disposal before income taxes of $5,206 (US$3,909), net of transaction costs of $202 (US$152).

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

24. Assets held for sale

	December 31, 2023 $'000	December 31, 2022 $'000
Assets held for sale:		
Cash and cash equivalents	**703**	-
Accounts and other receivables	**1,409**	-
Lease receivable	**123**	-
Prepayments and other assets	**104**	-
Property and equipment	**56**	-
Intangible assets	**3,232**	-
Goodwill	**8,581**	-
	14,208	-
Liabilities associated with assets held for sale:		
Accounts payable and accrued liabilities	**455**	-
Unearned revenue	**221**	-
Lease liability	**124**	-
Deferred tax liabilities	**662**	-
Other liabilities	**409**	-
	1,871	-

In the fourth quarter of 2023, the Company committed to a plan to sell its subsidiary Intrahealth Systems Limited ("Intrahealth"), financial results of which are included within the SaaS and Technology Services reportable segment. Accordingly, assets and liabilities of Intrahealth have been presented as held for sale as of December 31, 2023. Amounts are stated at carrying value as there was no impairment loss on the Intrahealth disposal group as of December 31, 2023. The sale of Intrahealth closed on February 1, 2024 (Note 28).

25. Contingencies

In the ordinary course of business, the Company is involved in and potentially subject to, legal actions and proceedings. There are many uncertainties involved in these legal actions and proceedings and as such, it is not possible for the Company to predict the final outcome of these matters with certainty. The Company does not believe that the ultimate resolution of these matters, including the Wisp matter noted below, will have a material adverse impact on the Company's operations, financial condition or results of operations.

In November 2023, a class action was filed in the Northern District of California against the Company's subsidiary, WISP, Inc. ("WISP") alleging pixel tracking technologies deployed on WISP's website used to improve marketing and advertising initiatives, improperly collected and disclosed personal health information to third-party social media platforms (Meta Platforms Inc. dba Facebook, Google, Bing/Microsoft, and Tik Tok Inc.), allegedly violating privacy, wiretapping and unfair business practices laws and standards of care across the U.S. In January 2024, arbitration claims were filed against WISP with similar allegations. The total claim amount being sought has not been specified in either the class action or arbitration claims. The Company intends to vigorously defend these claims and has begun coordinating mediation with plaintiff's counsel to resolve such allegations. The Company has not recognized a liability for the contingency as the amount cannot be estimated with sufficient reliability at this time.

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

26. Financial Instruments

a. Classification of financial instruments

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

	December 31, 2023	December 31, 2022
Financial assets at amortized cost	**$'000**	$'000
Cash and cash equivalents	**43,423**	48,908
Accounts and other receivables	**94,991**	78,914
Lease receivable	**2,959**	2,448
Other current and non-current assets	**25,880**	24,294
	167,253	154,564
Financial assets at fair value through profit or loss ("FVPL")		
Equity and debt investments	**56,170**	5,636
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**47,877**	50,728
Loans and borrowings	**295,601**	252,474
Lease liability	**81,261**	61,263
Other current and non-current liabilities	**23,840**	18,233
	448,579	421,195
Financial liabilities at fair value through profit or loss ("FVPL")		
Deferred acquisition costs	**37,071**	38,497
Financial liabilities - derivatives designated as hedging instruments		
Interest rate swap included in other current liabilities	**824**	-

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).

Financial instruments are classified based on the lowest level of input that is significant to the fair value measurement of the asset or liability. There were no transfers of fair value measurements between level 1, 2 and level 3 of the fair value hierarchy in the years ended December 31, 2023 and 2022.

Financial instruments carried at amortized cost:

The carrying values of cash and cash equivalents, accounts and other receivables, lease receivable, accounts payable and accrued liabilities, lease liability and certain other assets and liabilities measured at amortized cost, approximate their carrying value due to the short-term maturities of these instruments.

The Company's loans and borrowings, which are mainly comprised of the JPM facility and the RBC facility (Note 17), are floating rate instruments which are based on SOFR/CDOR plus 1.25% to 3.25% dependent on CRH's total leverage ratio and WHCC and MyHealth's total funded debt to EBITDA ratio. The Company estimated the fair value of these financial instruments to be $218,044 (US$164,860) for the JPM facility, and $81,775 for the RBC facility as at December 31, 2023 based on a discounted cash flow analysis using Level 2 directly observable market inputs

Financial instruments carried at fair value:

The Company's investments in Phelix, Twig, Bright, Tap Medical, Tali.ai, Cherry Health, doctorly, ORX, Graphium, HEALWELL (excluding the Company's equity investment), and Anesthesia RCM are classified as financial assets at FVPL. The fair value measurements of debt investments are categorized within Level 2 of the fair value hierarchy whereas investments in convertible debt, equity and equity derivative instruments are categorized within Level 3 of the fair value hierarchy. The fair values of debt instruments are based on discounted cash flow analyses using directly observable market inputs. The fair values of equity investments in unquoted private entities are based on recent follow-on financing rounds where applicable. The fair values of convertible debt, warrants and call options are estimated using complex mathematical models or option pricing models that incorporate directly observable market inputs (including share prices, interest rates and credit spreads), unobservable inputs (expected share price volatilities and expected terms) and iterative equations, as applicable. As at December 31, 2023 and December 31, 2022, the fair value of investments classified as financial assets at FVPL was $56,170 and $5,636, respectively (Note 11).

The Company's deferred acquisition cost liabilities are estimated using discounted earnings models that use unobservable inputs for revenue and cash flow projections. The fair value measurements of deferred acquisition costs are categorized within Level 3 of the fair value hierarchy.

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

There were no foreign currency forward contracts outstanding as at December 31, 2023. As at December 31, 2023, the carrying value of the interest rate swap was a liability of $824 (December 31, 2022, a liability of $369 related to forward currency forward contracts).

c. Financial risk management

Credit risk

Credit risk is the risk of a financial loss to one party to a financial instrument when the other party 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 its accounts receivable. Collectability is reviewed regularly and an estimate of expected credit losses is established or adjusted, as necessary, using historic collection patterns and other relevant information. 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 credit risk is expected to be limited as receivables are recognized based upon historical collection patterns.

As at December 31, 2023, the Company had accounts and other receivables of $94,991 (December 31, 2022 - $78,914), net of expected credit losses of $3,000 (December 31, 2022 - $3,691) (Note 9).

The aging of gross trade accounts receivable as at December 31, 2023 and 2022 was as follows:

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

	December 31, 2023	December 31, 2022
	$'000	$'000
Not past due	**50,221**	40,351
Past due 1 - 30 days	**12,472**	12,330
Past due 31 - 90 days	**9,336**	8,766
Past due 90+ days	**22,218**	20,564
Trade accounts receivable	**94,247**	82,011
Other accounts receivable	**3,744**	522
Total gross accounts receivable	**97,991**	82,533

The movement in the expected credit loss allowance in respect of accounts and other receivables was as follows:

	$'000
Balance as at December 31, 2021	1,091
Amounts written off and other	(10,041)
Net remeasurement of loss allowance	12,428
Foreign exchange translation	141
Balance as at December 31, 2022	**3,619**
Amounts written off and other	(5,239)
Net remeasurement of loss allowance	4,745
Foreign exchange translation	(125)
Balance as at December 31, 2023	**3,000**

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 and planned growth and development activities. The Company routinely reviews the terms and conditions of its financing arrangements with a view to managing or extending maturities and/or negotiating more favourable terms and conditions. The Company believes that its principal sources of liquidity are sufficient to fund its operations on an ongoing basis.

The maturities of the contractual cash flows of the Company's financial liabilities are as follows:

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

		Undiscounted payments due by period			
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
At December 31, 2023	**$'000**	$'000	$'000	$'000	$'000
Deferred acquisition costs and time-based earnouts	**35,638**	16,240	19,398	-	-
Lease obligations' minimum payments	**95,306**	18,670	32,644	23,362	20,630
Accounts payable and accrued liabilities	**47,877**	47,877	-	-	-
Working capital holdbacks	**688**	688	-	-	-
Other current and non-current liabilities	**23,976**	20,399	3,577	-	-
Loans and borrowings	**296,754**	6,137	290,617	-	-
Convertible debentures	**81,550**	3,850	77,700	-	-
	581,789	**113,861**	**423,936**	**23,362**	**20,630**

Interest rate risk

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

The Company is exposed to fluctuations in interest rates through variable rate debt obligations under its syndicated credit facilities with JPM and RBC (Note 17). On March 3, 2023, the Company entered into a three-year interest rate swap agreement consisting of a series of pay-fixed interest rate swaps at a fixed interest rate of 4.68% (the hedging instrument) to hedge the variability of the cash flows attributable to changes in 1-month Term SOFR, the benchmark variable interest rate, on US$50,000 of debt outstanding under JPM credit facility (the hedged item).

On March 3, 2023, the Company designated the interest rate swap in a qualifying hedging relationship and applied hedge accounting as a cash flow hedge in accordance with its accounting policy described in Note 3. During the year ended December 31, 2023, the Company recognized a fair value loss of $509 in other comprehensive loss in relation to the interest rate swap agreement and reclassified fair value gains of $315 from accumulated other comprehensive income to net income. The carrying value of the interest rate swap agreement was a liability of $824 as at December 31, 2023.

As of December 31, 2023, the Company's credit facility with RBC referenced the Canadian Dollar Offered Rate ("CDOR") as the benchmark interest rate for Canadian dollar borrowings. In May 2022, the administrator of CDOR announced that it will cease its publication after June 28, 2024. Accordingly, in March 2024, the Company completed an amendment to its syndicated credit facility to replace CDOR with the Canadian Overnight Repo Rate Average ("CORRA"). As of December 31, 2023, the Company has $81,775 of Canadian dollar borrowings outstanding subject to CDOR and does not expect the change in benchmark interest rate to have a significant impact on its consolidated financial statements.

With all other variables held constant, a 10% upward movement in the interest rate would have reduced net income by approximately $1,220 for the year ended December 31, 2023. There would be an equal and opposite impact on net income with a 10% downward movement in the interest rate.

Foreign currency risk

The Company is exposed to foreign exchange risk on revenue contracts, purchase contracts and loans and borrowings denominated in currencies other than the currency of the Company's contracting entity. For Canadian operations, this is typically the U.S. 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 forward 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 no foreign currency forward contracts outstanding as at December 31, 2023.

The Company had the following foreign currency forward 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 as at December 31, 2022.

(ii) an at maturity variable rate foreign currency forward contract to sell US$5,000 on April 4, 2023 if the prevailing CAD/USD spot rate on April 3, 2023 fell outside a specified range. The carrying value of the at maturity variable rate forward contract was a liability of $347 as at December 31, 2022. In 2023, the Company extended the foreign currency forward contract and unwound it on July 4, 2023 for a loss of $75.

The Company has foreign currency subsidiaries and a 10% movement in foreign exchange rates versus the U.S. dollar would result in approximately $1,339 change in the Company's net income for the year ended December 31, 2023 (excluding the impact of forward currency forward contracts revaluation).

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

27. Cash Flow Information

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Change in non-cash operating items:		
Accounts and other receivables	**(2,485)**	(9,370)
Inventory	**190**	(577)
Prepayments and other current assets	**(2,284)**	(7,870)
Other non-current assets	**(1,242)**	(2,534)
Accounts payable and accrued liabilities	**(9,212)**	10,554
Unearned revenue	**(158)**	563
Other non-current liabilities	**2,833**	668
Other current liabilities	**2,109**	3,486
	(10,249)	(5,080)

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Equity and debt investments in associates and others:		
Equity investment in doctorly	**(681)**	-
Equity investment in Graphium	**(388)**	-
Equity investment in ORX	**(250)**	-
Convertible debt investment in HEALWELL	**(4,000)**	-
Equity investment in HEALWELL	**(700)**	-
Equity investment in Tali.ai	**(622)**	-
	(6,641)	-

(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Business acquisitions, net of cash acquired (Note 23):		
INLIV	**-**	(1,885)
PHYMED	**-**	(9,766)
TMBA	**(131)**	-
MCI AB	**(1,025)**	-
CPMC	**(46,193)**	-
SKT	**311**	-
Others	**(1,824)**	(4,644)
	(48,862)	(16,295)
Asset acquisitions (Note 23):		
WCSA	**-**	(1,049)
GCAA	**-**	(132)
MyHealth licences	**-**	970
ATAA	**(6,173)**	-
LSAA	**(11,104)**	-
	(17,277)	(211)

28. Events After the Reporting Period

On January 24, 2024, the Company refinanced its syndicated credit facility with JPMorgan Chase Bank, N.A. to include two new syndicate members and extend the term to January 26, 2027. Interest on the refinanced credit facility is calculated with reference to SOFR plus 1.75% to 3.00%, dependent on the total leverage ratio of the consolidated financial results of CRH. All other key terms of the previous credit facility remained materially unchanged.

On February 1, 2024, the Company completed the sale of Intrahealth, an EMR provider within the Company's SaaS and Technology Services reportable segment, to HEALWELL AI Inc for total consideration of approximately $24,200, consisting of cash, shares in HEALWELL and deferred payments.