



WELL HEALTH TECHNOLOGIES CORP.

**Condensed Interim Consolidated Financial Statements
September 30, 2024**

Expressed in thousands of Canadian dollars

WELL HEALTH TECHNOLOGIES CORP.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

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

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000
Revenue (Note 5)	251,739	204,461	726,448	544,808
Expenses				
Cost of sales (excluding depreciation and amortization)	(139,487)	(110,225)	(404,595)	(273,580)
General and administrative (Note 6)	(77,604)	(65,204)	(224,463)	(182,380)
Depreciation and amortization	(17,476)	(15,449)	(51,343)	(44,012)
Stock-based compensation (Note 14)	(2,141)	(7,043)	(12,383)	(19,776)
Foreign exchange gain (loss)	(62)	539	42	888
Operating income	14,969	7,079	33,706	25,948
Interest income (Note 7)	255	114	772	429
Interest expense (Note 7)	(9,103)	(8,966)	(28,333)	(24,568)
Time-based earnout expense (Note 8)	(1,829)	(1,589)	(3,956)	(13,919)
Change in fair value of investments (Note 10)	(77,092)	-	53,192	-
Gain on disposal of assets and investments	33	7	11,317	1,524
Share of net income (loss) of associates	(1,832)	(102)	(2,719)	(290)
Other expense	(66)	(1,050)	(4,205)	(4,193)
Net income (loss) before income tax	(74,665)	(4,507)	59,774	(15,069)
Income tax recovery (expense)	(1,087)	25	1,050	(2,056)
Net income (loss)	(75,752)	(4,482)	60,824	(17,125)
Net income (loss) attributable to:				
Owners of WELL Health Technologies Corp.	(81,192)	(7,606)	45,612	(27,731)
Non-controlling interests	5,440	3,124	15,212	10,606
	(75,752)	(4,482)	60,824	(17,125)
Other comprehensive income (loss):				
Items that may be subsequently reclassified to profit or loss:				
Exchange difference on translation of foreign operations	(7,394)	11,243	10,521	(1,249)
Fair value gain (loss) on derivative instruments designated as cash flow hedges	(862)	587	315	455
Reclassification of fair value gain on derivative financial instruments to net income	(130)	(117)	(389)	(187)
Total comprehensive income (loss)	(84,138)	7,231	71,271	(18,106)
Total comprehensive income (loss) attributable to:				
Owners of WELL Health Technologies Corp.	(89,475)	4,008	55,945	(28,692)
Non-controlling interests	5,337	3,223	15,326	10,586
	(84,138)	7,231	71,271	(18,106)
Earnings (loss) per share attributable to WELL Health Technologies Corp.				
Basic	(0.33)	(0.03)	0.19	(0.12)
Diluted	(0.33)	(0.03)	0.19	(0.12)
Weighted average number of common shares outstanding				
Basic	248,803,453	238,104,415	246,006,544	235,258,386
Diluted	248,803,453	238,104,415	254,575,261	235,258,386

WELL HEALTH TECHNOLOGIES CORP.

Consolidated Statements of Financial Position

(Unaudited, expressed in thousands of Canadian dollars unless otherwise stated)

As at	September 30, 2024	December 31, 2023	January 1, 2023
	\$'000	(Restated - Note 3) \$'000	(Restated - Note 3) \$'000
Assets			
Current			
Cash and cash equivalents	66,150	43,423	48,908
Accounts and other receivables (Note 9)	216,828	94,991	78,914
Inventory	1,917	1,180	1,370
Lease receivable	824	1,107	568
Prepayments and other assets	29,208	21,487	21,117
Assets held for sale	-	14,208	-
Total current assets	314,927	176,396	150,877
Financial assets at fair value through profit and loss (Note 10)	109,858	56,170	5,636
Investment accounted for using the equity method	16,932	4,690	4,369
Lease receivable - non-current	1,498	1,852	1,880
Prepayments and other assets - non-current	2,760	4,393	3,177
Property and equipment	97,625	102,540	82,535
Intangible assets (Note 11)	532,838	555,200	571,267
Goodwill (Note 11)	516,690	508,061	499,290
Total assets	1,593,128	1,409,302	1,319,031
Liabilities and equity			
Current			
Accounts payable and accrued liabilities	66,208	47,877	50,728
Unearned revenue	6,949	6,648	6,797
Loans and borrowings (Note 13(a))	4,875	5,264	2,624
Lease liability	16,013	14,869	9,107
Convertible debentures (Note 13(b))	3,850	3,850	3,850
Deferred acquisition costs (Note 12(a))	10,375	14,493	18,229
Other liabilities (Note 12(b))	168,893	21,087	17,489
Liabilities associated with assets held for sale	-	1,871	-
Total current liabilities	277,163	115,959	108,824
Loans and borrowings - non-current (Note 13(a))	260,568	290,337	249,850
Lease liability - non-current	60,336	66,392	52,156
Convertible debentures - non-current (Note 13(b))	50,725	45,571	40,829
Deferred tax liabilities	10,600	18,487	30,706
Unearned revenue - non-current	467	255	403
Deferred acquisition costs - non-current (Note 12(a))	13,096	22,578	20,268
Other liabilities - non-current (Note 12(b))	2,143	3,577	744
Total liabilities	675,098	563,156	503,780
Equity			
Share capital (Note 14)	784,118	751,550	705,186
Contributed surplus (Note 14)	44,991	54,048	51,765
Accumulated other comprehensive income	35,985	25,652	39,059
Accumulated deficit	(17,972)	(63,584)	(63,666)
Equity attributable to owners of WELL Health Technologies Corp.	847,122	767,666	732,344
Non-controlling interests	70,908	78,480	82,907
Total equity	918,030	846,146	815,251
Total equity and liabilities	1,593,128	1,409,302	1,319,031

*Commitment and contingencies (Notes 19 and 20(c))
Event after the reporting period (Note 21)*

Approved by the Directors:

"Hamed Shahbazi"

"Thomas Liston"

WELL HEALTH TECHNOLOGIES CORP.

Consolidated Statements of Changes in Equity

(Unaudited, 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 \$'000	Accumulated deficit \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at December 31, 2023	241,427,825	751,550	54,048	25,652	(63,584)	767,666	78,480	846,146
Stock options exercised (Note 14)	1,583,907	4,958	(1,843)	-	-	3,115	-	3,115
Shares issued for RSUs/PSUs (Note 14)	3,869,634	19,619	(19,619)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs (Note 12(a))	1,767,874	6,899	-	-	-	6,899	-	6,899
Shares issued for time-based earnout payments	537,563	2,144	-	-	-	2,144	-	2,144
Stock-based compensation (Note 14)	-	-	12,383	-	-	12,383	-	12,383
Normal course issuer bid (Note 14)	(252,800)	(1,052)	-	-	-	(1,052)	-	(1,052)
Distributions paid to non-controlling interests	-	-	-	-	-	-	(22,516)	(22,516)
Other transactions with non-controlling interest	-	-	22	-	-	22	(382)	(360)
Exchange difference on translation of foreign subsidiaries	-	-	-	10,407	-	10,407	114	10,521
Derivative instruments designated in cash flow hedges	-	-	-	(74)	-	(74)	-	(74)
Net income for the period	-	-	-	-	45,612	45,612	15,212	60,824
Balance at September 30, 2024	248,934,003	784,118	44,991	35,985	(17,972)	847,122	70,908	918,030
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	840,469	1,165	(520)	-	-	645	-	645
Shares issued for RSUs/PSUs	3,250,335	18,241	(18,241)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs	1,887,726	8,327	-	-	-	8,327	-	8,327
Shares issued for time-based earnout payments	811,160	3,326	-	-	-	3,326	-	3,326
Shares issued for consideration in business combinations	1,071,928	5,124	-	-	-	5,124	-	5,124
Stock-based compensation (Note 14)	-	-	19,776	-	-	19,776	-	19,776
Non-controlling interests via business combination	-	-	-	-	-	-	7,785	7,785
Distributions paid to non-controlling interests	-	-	-	-	-	-	(19,304)	(19,304)
Other transactions with non-controlling interests	-	-	(495)	-	-	(495)	(2,745)	(3,240)
Purchase price allocation finalization	-	-	-	-	-	-	4	4
Exchange difference on translation of foreign subsidiaries	-	-	-	(1,229)	-	(1,229)	(20)	(1,249)
Derivative instruments designated in cash flow hedges	-	-	-	268	-	268	-	268
Net (loss) income for the period	-	-	-	-	(27,731)	(27,731)	10,606	(17,125)
Balance at September 30, 2023	238,908,908	741,369	52,285	38,098	(91,397)	740,355	79,233	819,588

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

WELL HEALTH TECHNOLOGIES CORP.

Consolidated Statements of Cash Flows

(Unaudited, expressed in thousands of Canadian dollars unless otherwise stated)

	Nine months ended	
	September 30, 2024 \$'000	September 30, 2023 \$'000
Cash flows provided by/(used in)		
Operating activities		
Net income (loss) for the period	60,824	(17,125)
Adjustments to net income (loss) for non-cash items:		
Interest income accretion	(469)	(151)
Interest expense accretion	11,269	10,045
Time-based earnout payments settled in shares	2,144	3,326
Unrealized foreign exchange	2,828	(1,141)
(Gain) Loss on revaluation of deferred acquisition cost liability	(1,237)	7,891
Change in fair value of investments	(53,192)	-
Depreciation and amortization	51,343	44,012
Gain on disposal of assets and investments	(11,317)	(1,524)
Share of net loss of associates	2,719	290
Stock-based compensation (Note 14)	12,383	19,776
Loss on deferred acquisition cost liability settled in shares (Note 12(a))	175	887
Non-cash loss (gain) included in other income	752	1,798
Deferred income taxes	(8,549)	(10,070)
Change in non-cash operating items (Note 18)	42,439	(6,270)
Net cash provided by operating activities	112,112	51,744
Investing activities		
Change in restricted cash	-	(3,292)
Business acquisitions, net of cash acquired (Note 18)	(1,147)	(46,996)
Asset acquisitions (Note 18)	-	(14,765)
Equity and debt investments in associates and others (Note 18)	(73)	(1,069)
Proceeds from disposal of investments	2,390	11,438
Acquisition of property and equipment and internally generated intangible assets	(10,265)	(6,199)
Settlement of working capital holdbacks	(1,252)	(737)
Settlement of deferred acquisition costs (Note 12(a))	(6,742)	(6,779)
Net cash used in investing activities	(17,089)	(68,399)
Financing activities		
Payment of interest on convertible debentures (Note 13(b))	(1,925)	(1,925)
Proceeds from loans and borrowings	32,724	88,246
Repayments of loans and borrowings	(69,414)	(48,866)
Proceeds from stock options exercised	3,115	645
Transactions with non-controlling interests	(22,816)	(20,084)
Normal course issuer bid	(1,052)	-
Lease payments	(14,633)	(8,804)
Lease payments received	746	562
Net cash used in financing activities	(73,255)	9,774
Effect of foreign exchange rate changes on cash and cash equivalents	256	(56)
Net change in cash	22,024	(6,937)
Cash and cash equivalents - beginning of period	43,423	48,908
Cash included in assets held for sale at the beginning period	703	-
Cash and cash equivalents - end of period	66,150	41,971
Cash paid for:		
Interest	(19,349)	(15,818)
Income tax	(3,957)	(14,082)

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

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

1. Nature of Operations

WELL Health Technologies Corp. (the "Company") is an omni-channel digital health company. Its objective is to empower doctors to provide advanced care while leveraging the latest trends in digital health technology.

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.

The Company's Board of Directors approved these condensed interim consolidated financial statements on November 6, 2024.

2. Basis of Presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the December 31, 2023 audited annual consolidated financial statements, which have been prepared in accordance with IFRS issued by the IASB.

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. All financial information in these condensed interim consolidated financial statements, except share and per share amounts, is presented in thousands of Canadian dollars, which is the functional currency of the Company. All amounts are rounded to the nearest thousands of Canadian dollars.

3. Material Accounting Policy Information

- a. The preparation of these condensed interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's December 31, 2023 audited annual consolidated financial statements, except for the following:

Adoption of New Accounting Standards

On January 1, 2024, the Company retrospectively adopted "Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)" and "Non-current Liabilities with Covenants (Amendments to IAS 1)". The amendments clarify the requirements for classifying liabilities as current or non-current, specifically to introduce certain requirements related to the determination of the existence of a right at the end of a reporting period to defer settlement of a liability for at least twelve months after the reporting period. The amendments also specify that if a right to defer settlement of a liability for at least twelve months is subject to an entity complying with covenants after the reporting period, then those covenants would not affect the classification of the liability as current or non-current at the reporting date. The amendments also require entities

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to provide additional disclosures for liabilities classified as non-current and subject to covenants within twelve months of the reporting date. The adoption of the amendments resulted in the Company reclassifying revolving loans subject to covenants under its syndicated credit facility with the Royal Bank of Canada (net of deferred financing costs) of \$36,994 as of December 31, 2023 and \$27,679 as of January 1, 2023 from current liabilities to non-current liabilities on its consolidated statements of financial position (Note 13 (a)).

- b. The following accounting policies were applied consistently in all periods presented and are being disclosed to supplement accounting policies described in the Company's December 31, 2023 audited annual consolidated financial statements.

Research and Development

Research costs are expensed in the period incurred. Development costs are capitalized and recorded as an intangible asset when certain criteria are met, most notably when the intangible asset is identifiable and controlled by the Company, technical feasibility of completing the asset has been established, and it is considered probable that the Company will generate future economic benefits from the asset created upon completion of development. The costs capitalized include directly attributable salaries and benefits, consulting costs and overhead expenditures. All other development costs are expensed in the period incurred.

Government Assistance and Investment Tax Credits

Government assistance includes government grants and investment tax credits and is recognized when there is reasonable assurance that the Company will comply with the relevant conditions and that the government assistance will be received. Government assistance that meets the recognition criteria and that relates to current expenses is recorded as a reduction of the related expenses in general and administration expenses. Government assistance that meets the recognition criteria and that relates to the acquisition of an asset is recorded as a reduction of the cost of the related asset.

- c. The IASB issued the following new accounting standards or amendments that will become effective on future dates.

IFRS 9 and IFRS 7 Amendments

On May 30, 2024, the IASB issued amendments to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures". The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. In addition to these clarifications, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. Also included in the amendments, are clarifications regarding the classification of financial assets, including those with features linked to environmental, social and corporate governance. Under the amendments, additional disclosures are required for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the

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classification of financial assets. The Company is assessing the impacts of the IFRS 9 and IFRS 7 amendments on its consolidated financial statements.

IFRS 18

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosures in Financial Statements". The objective of the new standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is assessing the impacts of IFRS 18 on its consolidated financial statements.

4. Critical Accounting Estimates and Judgements

The preparation of interim financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the December 31, 2023 audited annual consolidated financial statements.

5. Revenue

The following table shows the details of revenues for the three and nine months ended September 30, 2024, and 2023:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000
Public insured	77,214	60,604	226,380	166,059
Non-public and other	158,971	127,917	452,218	330,181
Patient Services	236,185	188,521	678,598	496,240
SaaS and Technology Services (Note 16)	15,554	15,940	47,850	48,568
Total Revenue	251,739	204,461	726,448	544,808

WELL HEALTH TECHNOLOGIES CORP.

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(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

6. General and Administrative Expense

The following table provides a breakdown of general and administrative expenses for the three and nine months ended September 30, 2024 and 2023:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000
Salaries and benefits	36,446	32,774	109,542	92,656
Professional and consulting fees	5,971	6,583	18,371	15,682
Office expenses	6,336	4,413	18,748	10,941
Marketing and promotion	23,374	16,572	62,315	48,032
Other	5,477	4,862	15,487	15,069
	77,604	65,204	224,463	182,380

7. Interest Income and Expense

The following table provides a breakdown of interest income and interest expense for the three and nine months ended September 30, 2024 and 2023:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000
Interest accretion on subleases and interest accrual on debt investments	161	63	469	162
Interest income on cash and cash equivalents and others	94	51	303	267
Interest income	255	114	772	429
Interest on loans and borrowings	5,404	5,474	17,025	14,517
Interest on convertible debentures (Note 13(b))	2,444	2,201	7,079	6,391
Interest accretion on leases	981	686	2,837	2,037
Accretion of discount on deferred acquisition costs (Note 12(a))	201	323	535	897
Amorization of deferred financing fees	73	282	857	726
Interest expense	9,103	8,966	28,333	24,568

WELL HEALTH TECHNOLOGIES CORP.

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8. Time-based Earnout Expense

The following table provides a breakdown of time-based earnout expense for the three and nine months ended September 30, 2024, and 2023:

	Three months ended		Nine months ended	
	September 30, 2024 \$'000	September 30, 2023 \$'000	September 30, 2024 \$'000	September 30, 2023 \$'000
Time-based earnout expense	1,829	1,652	4,936	5,029
(Gain) loss on settlement of deferred acquisition cost and time-based earnout liabilities via shares	-	(63)	258	999
(Gain) loss on revaluation of deferred acquisition cost liabilities (Note 12(a))	-	-	(1,238)	7,891
	1,829	1,589	3,956	13,919

9. Accounts and Other Receivables

The following table shows the details of the Company's accounts and other receivables as at September 30, 2024 and December 31, 2023:

	September 30, 2024 \$'000	December 31, 2023 \$'000
Accounts Receivable - gross	220,067	97,991
Less: Expected credit losses	(3,239)	(3,000)
	216,828	94,991
Accounts receivable - gross		
Canadian Patient Services - Primary	14,187	9,403
Canadian Patient Services - Specialized - MyHealth	14,798	10,279
US Patient Services - Primary - Circle	18,450	14,360
US Patient Services - Primary - WISP	1,397	898
US Patient Services - Specialized - CRH Medical	132,235	38,233
US Patient Services - Specialized - Provider Staffing	17,509	13,290
SAAS and Technology Services	14,154	11,350
Other receivables	7,337	178
	220,067	97,991

During the three and nine months ended September 30, 2024, the Company received cash advance payments of \$64,426 and \$143,751, respectively, from CRH Medical Corporation's ("CRH") third-party billing company. They were recorded as other liabilities (Note 12(b)), which will be repaid via collection of accounts receivable. The increase in accounts receivable mainly arose from collection delays at CRH after its billing service provider experienced a cybersecurity incident and system shutdown. The billing

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service provider has continued to make advance payments to CRH to compensate for the delayed collections until the system is back online and functioning normally. The advance payments have been recognized as other liabilities on the Company's consolidated statement of financial position.

The Company evaluates credit losses on a periodic basis based on the aging and collectability of its 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. 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 September 30, 2024 and December 31, 2023:

	September 30, 2024 \$'000	December 31, 2023 \$'000
HEALWELL	99,432	45,940
Tali.ai	2,139	2,094
Phelix	2,859	2,859
Anesthesia RCM	2,722	2,666
Others	2,706	2,611
	109,858	56,170

Financial asset investments include debt and equity instruments that 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 three months ended September 30, 2024, the Company recognized fair value losses of \$77,092 on the HEALWELL financial assets (\$22,630 on the convertible debentures, \$21,430 on the warrants and \$33,032 on the call option) and during the nine months ended September 30, 2024, the Company recognized fair value gains of \$53,192 on the HEALWELL financial assets (\$17,010 on the convertible debentures, \$14,440 on the warrants and \$21,742 on the call option), and nil on all other financial assets for both periods (three and nine months ended September 30, 2023 – nil on all financial assets). During the nine months ended September 30, 2024, the Company also recognized \$300 of interest income on the HEALWELL convertible debentures.

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Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

11. Intangible Assets and Goodwill

	Customer relationships \$'000	Technology \$'000	Brands \$'000	Licences \$'000	Intangibles Total \$'000	Goodwill \$'000
COST						
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 business combination	48,329	-	4,959	-	53,288	23,547
Internally generated intangible assets	-	2,428	-	-	2,428	-
Assets classified as held for sale 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
Acquired via business combination (Note 17)	-	-	-	-	-	1,885
Internally generated intangible assets	-	6,271	-	-	6,271	-
Exchange difference on foreign currency translation	11,840	265	154	-	12,259	6,744
Balance at September 30, 2024	453,285	36,537	14,978	181,761	686,561	516,690
ACCUMULATED AMORTIZATION						
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 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)	-
Amortization for the period	(31,400)	(2,701)	(830)	-	(34,931)	-
Exchange difference on foreign currency translation	(5,912)	(39)	(10)	-	(5,961)	-
Balance at September 30, 2024	(140,791)	(11,372)	(1,560)	-	(153,723)	-
NET CARRYING AMOUNTS						
As at December 31, 2023	337,966	21,369	14,104	181,761	555,200	508,061
As at September 30, 2024	312,494	25,165	13,418	181,761	532,838	516,690

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

12. 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 17).

	September 30, 2024	December 31, 2023
	\$'000	\$'000
Current	10,375	14,493
Non-current	13,096	22,578
	23,471	37,071
		\$'000
Balance at December 31, 2022		38,497
Additions via business combinations and asset acquisitions		5,791
Accretion of discount		1,283
Settlement in cash		(9,560)
Settlement in 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
Additions via business combinations and asset acquisitions		625
Accretion of discount		535
Settlement in cash		(6,742)
Settlement in shares		(6,899)
Loss on settlement via shares		175
Gain on revaluation included in time-based earnout expense (Note 8)		(1,238)
Exchange difference		(56)
Balance at September 30, 2024		23,471

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

b. Other Liabilities

	September 30, 2024	December 31, 2023
	\$'000	\$'000
<i>Current:</i>		
Working capital holdback	706	688
Time-based earnouts	6,633	7,083
Income tax payable	2,959	862
Advances payable	143,751	-
Payroll liabilities and others	14,844	12,454
	168,893	21,087
<i>Non-current:</i>		
Others	2,143	3,577

During the three and nine months ended September 30, 2024, the Company received cash advance payments of \$64,426 and \$143,751, respectively, from CRH's third-party billing company which will be repaid via collection of accounts receivable.

13. Loans and Borrowings, and Convertible Debentures

a. Syndicated Credit Facilities

	September 30, 2024	December 31, 2023	January 1, 2023
	\$'000	\$'000	\$'000
<i>(Restated - Note 3) (Restated - Note 3)</i>			
CRH syndicated credit facility with JPM:			
Revolving loan	113,584	145,873	178,394
Term loan	71,460	69,106	-
WHCC and MyHealth syndicated credit facility with RBC:			
Revolving loan	40,200	37,400	28,400
Term loan	42,500	44,375	46,875
Other loans and borrowings	394	722	654
Less: Financing fees	(2,695)	(1,875)	(1,849)
Total Loans and Borrowings	265,443	295,601	252,474
Current portion	4,875	5,264	2,624
Non-current portion	260,568	290,337	249,850
Total Loans and Borrowings	265,443	295,601	252,474

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

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

On January 26, 2024, the Company refinanced its syndicated credit facility with JPM 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 Secured Overnight Financing Rate (“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. As of September 30, 2024, the Company had drawn \$185,044 (US\$137,080) under this facility (December 31, 2023 – \$214,979 (US\$162,543)).

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

On January 1, 2024, the Company adopted “Non-current Liabilities with Covenants (Amendments to IAS 1)” (Note 3). The adoption of the amendments resulted in the Company reclassifying \$36,994 of revolving loans under its syndicated credit facility (net of deferred financing costs) as of December 31, 2023 from current liabilities to non-current liabilities. In March 2024, the Company completed an amendment to its syndicated credit facility to replace Canadian Dollar Offered Rate (“CDOR”) as the benchmark interest rate with the Canadian Overnight Repo Rate Average (“CORRA”). As of September 30, 2024, the Company had drawn \$82,700 under this facility (December 31, 2023 – \$81,775).

iii. Financial Covenants

The Company’s syndicated credit facilities with loans outstanding of \$185,044 with JPM and \$82,700 with RBC are subject to financial covenants based on the consolidated financial results of CRH, WHCC and MyHealth. Financial covenants include maintenance of certain leverage ratios, fixed charge coverage ratios and guarantor and capital expenditure thresholds and compliance is evaluated quarterly as of March 31, June 30, September 30 and December 31 of each year. The Company was in compliance with all financial covenants and other terms and conditions under its syndicated credit facilities as of September 30, 2024.

iv. Minimum Principal Repayments:

The total minimum principal repayments under the syndicated credit facilities were as follows as at September 30, 2024:

	CRH (JPM) \$'000	WHCC and MyHealth (RBC) \$'000
2024	928	625
2025	3,712	2,500
2026	3,712	2,500
2027	176,692	77,075
	185,044	82,700

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

b. Convertible Debentures

	\$'000
Balance as of December 31, 2022	44,679
Interest accreted	8,592
Interest paid	(3,850)
Balance as of December 31, 2023	49,421
Interest accreted	7,079
Interest paid	(1,925)
Balance as of September 30, 2024	54,575
Current (Interest payable within one year)	3,850
Non-current	50,725
Total convertible debentures	54,575

14. Share Capital

a. Authorized

Unlimited common shares without par value

b. Issued Common Shares

As at September 30, 2024, the issued share capital consisted of 248,934,003 (December 31, 2023 – 241,427,825) common shares.

c. Normal Course Issuer Bid ("NCIB")

On June 6, 2024, the Company received approval from the TSX for a renewal of the NCIB that expired on June 4, 2024. Under the renewed NCIB, the Company may acquire up to an aggregate of 6,154,501 common shares from June 10, 2024 to June 9, 2025. In accordance with TSX rules, daily purchases made by the Company on the TSX will not exceed 209,016 common shares, subject to certain prescribed exemptions, being 25% of the average daily trading volume over the preceding six calendar months of 836,067 common shares. As of November 6, 2024, 127,000 common shares have been purchased under the prior NCIB, and 221,100 common shares have been purchased under the current NCIB.

d. Options to Purchase Common Shares

i. Movement in Stock Option

The Changes in stock options during the nine months ended September 30, 2024 and the year ended December 31, 2023 were as follows:

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

	September 30, 2024		December 31, 2023	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance outstanding, beginning of year	1,980,873	1.79	3,054,041	1.74
Options exercised	(1,583,907)	(1.50)	(890,157)	(0.78)
Options expired	-	-	(17,351)	(5.98)
Options forfeited	-	-	(165,660)	(2.77)
Balance outstanding, end of period	396,966	2.92	1,980,873	1.79

During the nine months ended September 30, 2024 and 2023, the Company recognized a stock-based compensation expense of \$582 and \$406, respectively, relating to stock options in the condensed interim 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 September 30, 2024:

Exercise price \$	Options outstanding	Options exercisable	Weighted average remaining contractual life (years)
2.24	110,000	110,000	0.59
3.06	100,000	50,000	3.00
3.25	186,966	186,966	0.83
	396,966	346,966	1.31

The weighted average exercise price of options exercisable as at September 30, 2024 was \$2.90 (December 31, 2023 - \$1.68).

e. Restricted Share Units ("RSUs")

The changes in RSUs during the nine months ended September 30, 2024 and the year ended December 31, 2023 were as follows:

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Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

	September 30, 2024	December 31, 2023
	Number of RSUs	Number of RSUs
Balance outstanding, beginning of year	5,065,068	3,884,965
Units granted	1,595,437	4,397,284
Units vested	(2,593,121)	(2,951,845)
Units forfeited	(538,746)	(265,336)
Balance outstanding, end of period	3,528,638	5,065,068

During the nine months ended September 30, 2024 and 2023, the Company recognized a stock-based compensation expense of \$7,226 and \$12,776, respectively, relating to RSUs in the condensed interim consolidated statements of income (loss).

f. Performance Share Units ("PSUs")

The changes in PSUs during the nine months ended September 30, 2024 and the year ended December 31, 2023 were as follows:

	September 30, 2024	December 31, 2023
	Number of PSUs	Number of PSUs
Balance outstanding, beginning of year	3,401,645	2,946,088
Units granted	801,828	2,150,174
Units vested	(1,276,513)	(1,307,962)
Units forfeited	(347,514)	(386,655)
Balance outstanding, end of period	2,579,446	3,401,645

During the nine months ended September 30, 2024 and 2023, the Company recognized a stock-based compensation expense of \$4,575 and \$6,594, respectively, relating to PSUs in the condensed interim consolidated statements of income (loss).

15. Related Party Transactions

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's Board of Directors and certain members of the senior executive team, namely the CEO, CFO and COO. The remuneration of the Company's key management personnel during the three and nine months ended September 30, 2024 and 2023 was as follows:

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000
Salaries	260	250	770	750
Directors' fees	60	60	180	180
Stock-based compensation expense	776	2,647	4,002	6,560
	1,096	2,957	4,952	7,490

During the nine months ended September 30, 2024, the Company granted 481,573 RSUs (197,367 to the CEO, 39,473 to the CFO, 39,473 to the COO, and 205,260 to the Board of Directors), and 78,946 PSUs (39,473 to the CFO and 39,473 to the COO). During the nine months ended September 30, 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).

Included in other current assets as at September 30, 2024 is \$11,804 (\$7,099 from the CEO, \$2,433 from the CFO, and \$2,272 from the COO) and December 31, 2023 is \$6,808 (\$4,231 from the CEO, \$1,531 from the CFO, and \$1,046 from the COO) of receivables from related parties. These receivables were primarily due to payroll taxes and costs of option exercises on stock issuances to the related parties.

Other Transactions with Related Parties

On February 1, 2024, the Company received an advance payment of \$1,400 from HEALWELL for transition services to be provided post-closing of the sale of Intrahealth Systems Ltd. ("Intrahealth") to HEALWELL (Note 17) and recognized it as unearned revenue on its consolidated statement of financial position ("Intrahealth Transaction"). During the three and nine months ended September 30, 2024, the Company recognized revenue of \$397 and \$956, respectively, as other income for providing transition services to HEALWELL in relation to the Intrahealth Transaction and recognized \$nil and \$113, respectively, in general and administrative expense for transition services provided by HEALWELL in relation to the sale of MCI Ontario and Alberta clinics from HEALWELL to the Company.

16. 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 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 and Provider Services and SaaS and Technology Services.

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada 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 (also known as WELL Health Diagnostic Centres or WDC)	Specialty care and accredited diagnostic health services from WDC
WELL Health USA Patient and Provider Services <ul style="list-style-type: none">- Primary Circle Medical- Primary WISP- Specialized CRH Medical- Specialized Provider Staffing	U.S primary care telehealth operations from Circle Medical U.S primary care operations from WISP Specialized care gastroenterology anesthesia services 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.

Effective January 1, 2024, the Company changed its segment profit measure from “Segment profit (loss) before tax, interest and depreciation and amortization” to Adjusted EBITDA to align with internal reporting provided to the chief operating decision-maker. Adjusted EBITDA is defined as net income (loss) before interest, taxes, depreciation and amortization less (i) net rent expense on premise leases considered to be finance leases under IFRS and before (ii) transaction, restructuring and integration costs, time-based earn-out expense, change in fair value of investments, share of income (loss) of associates, foreign exchange gain/loss, and stock-based compensation expense, and (iii) gains/losses that are not reflective of ongoing operating performance.

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

Three months ended September 30, 2024

	<--Canadian Patient Services-->			<-WELL Health USA Patient and Provider Services-->				SaaS and Technology Services	Corporate/ Eliminations	GRAND TOTAL	
	Primary	Specialized-WDC	TOTAL	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing				TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				\$'000
Total segment revenue	47,847	30,198	78,045	36,661	26,869	63,197	32,123	158,850	16,594	3,919	257,408
Inter-segment revenue	(56)	-	(56)	-	-	(51)	(603)	(654)	(1,040)	(3,919)	(5,669)
Revenue from external customers	47,791	30,198	77,989	36,661	26,869	63,146	31,520	158,196	15,554	-	251,739
Adjusted EBITDA	2,926	6,724	9,650	2,567	1,462	17,547	2,494	24,070	4,386	(5,368)	32,738

Three months ended September 30, 2023

	<--Canadian Patient Services-->			<-WELL Health USA Patient and Provider Services-->				SaaS and Technology Services	Corporate/ Eliminations	GRAND TOTAL	
	Primary	Specialized-WDC	TOTAL	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing				TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				\$'000
Total segment revenue	29,234	28,549	57,783	22,708	19,891	64,804	24,788	132,191	16,643	3,730	210,347
Inter-segment revenue	(3)	-	(3)	-	-	(50)	(1,400)	(1,450)	(703)	(3,730)	(5,886)
Revenue from external customers	29,231	28,549	57,780	22,708	19,891	64,754	23,388	130,741	15,940	-	204,461
Adjusted EBITDA	2,313	6,587	8,900	(1,058)	170	20,262	1,621	20,995	3,210	(4,933)	28,172

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(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

Nine months ended September 30, 2024

	<--Canadian Patient Services-->			<-WELL Health USA Patient and Provider Services-->					SaaS and Technology Services	Corporate/ Eliminations	GRAND TOTAL
	Primary	Specialized-WDC	TOTAL	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing	TOTAL			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	138,795	91,858	230,653	97,376	72,268	189,248	91,399	450,291	51,072	11,931	743,947
Inter-segment revenue	(239)	-	(239)	-	-	(139)	(1,968)	(2,107)	(3,222)	(11,931)	(17,499)
Revenue from external customers	138,556	91,858	230,414	97,376	72,268	189,109	89,431	448,184	47,850	-	726,448
Adjusted EBITDA	8,900	21,059	29,959	5,765	3,126	50,234	6,720	65,845	11,583	(15,455)	91,932
Goodwill and intangible assets	69,399	227,016	296,415	23,174	56,488	543,466	27,183	650,311	102,802	-	1,049,528

Nine months ended September 30, 2023

	<--Canadian Patient Services-->			<-WELL Health USA Patient and Provider Services-->					SaaS and Technology Services	Corporate/ Eliminations	GRAND TOTAL
	Primary	Specialized-WDC	TOTAL	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing	TOTAL			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	78,899	83,943	162,842	66,748	57,664	185,734	24,788	334,934	51,768	12,544	562,088
Inter-segment revenue	(17)	-	(17)	-	-	(118)	(1,400)	(1,518)	(3,201)	(12,544)	(17,280)
Revenue from external customers	78,882	83,943	162,825	66,748	57,664	185,616	23,388	333,416	48,567	-	544,808
Adjusted EBITDA	5,347	20,348	25,695	(914)	(211)	61,205	1,621	61,701	9,162	(13,914)	82,644
Goodwill and intangible assets	74,799	228,200	302,999	21,069	57,423	577,660	32,068	688,220	105,019	-	1,096,238

WELL HEALTH TECHNOLOGIES CORP.

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(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

A reconciliation of net income (loss) before income tax to segment adjusted EBITDA is as follows:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000
Adjusted EBITDA	32,738	28,172	91,932	82,644
Depreciation and amortization	(17,476)	(15,449)	(51,343)	(44,012)
Interest expense	(9,103)	(8,966)	(28,333)	(24,568)
Interest income	255	114	772	429
Rent expense on finance leases	4,675	2,672	12,918	7,743
Stock-based compensation	(2,141)	(7,043)	(12,383)	(19,776)
Foreign exchange difference	(62)	539	42	888
Time-based earnout expense	(1,829)	(1,589)	(3,956)	(13,919)
Change in fair value of investments	(77,092)	-	53,192	-
Gain on disposal of assets and investments	33	7	11,317	1,524
Share of net loss of associates	(1,832)	(102)	(2,719)	(290)
Other items	-	-	(753)	(1,798)
M&A, restructuring and integration expenses	(2,831)	(2,862)	(10,912)	(3,934)
Net income (loss) before income tax	(74,665)	(4,507)	59,774	(15,069)

Geographic Information

Revenue by geographic location of customers and goodwill and intangible assets by location for the three and nine months ended September 30, 2024 and 2023 are summarized as follow:

Three months ended September 30, 2024 and 2023	Canada and others		U.S.		Canada (Corporate/Eliminations)		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	94,639	74,426	158,850	132,191	3,919	3,730	257,408	210,347
Inter-segment revenue	(1,096)	(706)	(654)	(1,450)	(3,919)	(3,730)	(5,669)	(5,886)
Revenue from external customers	93,543	73,720	158,196	130,741	-	-	251,739	204,461

Nine months ended September 30, 2024 and 2023	Canada and others		U.S.		Canada (Corporate/Eliminations)		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	281,725	214,610	450,291	334,934	11,931	12,544	743,947	562,088
Inter-segment revenue	(3,461)	(3,218)	(2,107)	(1,518)	(11,931)	(12,544)	(17,499)	(17,280)
Revenue from external customers	278,264	211,392	448,184	333,416	-	-	726,448	544,808
Goodwill and intangible assets	399,217	408,018	650,311	688,220	-	-	1,049,528	1,096,238

WELL HEALTH TECHNOLOGIES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

17. Business Combination, Asset Acquisitions and Dispositions

a. 2024 Acquisition and Dispositions

On September 1, 2024, the Company acquired three medical care clinics, 0741405 BC Ltd., 0783808 BC Ltd., and 0899864 BC Ltd., collectively operating under the name Pacific Medical Clinics ("PMC"). The fair value of purchase consideration for the acquisition was \$2,224 comprised of cash paid at close of \$1,486, a holdback of \$113 and deferred acquisition costs of \$625. The Company allocated the purchase consideration \$1,785 to goodwill and \$439 to cash. The purchase price allocation is classified as provisional due to ongoing work to determine the fair values of assets acquired and liabilities assumed as of the acquisition date. The Company may revise the preliminary purchase price allocation, as necessary, within one year of the acquisition closing date as new information becomes available regarding facts and circumstances that existed at the acquisition date.

On June 1, 2024, the Company acquired 10 primary care medical clinics operated by Shoppers Drug Mart Inc. under "The Health Clinic by Shoppers™" brand ("Shoppers") for \$100. The purchase price was allocated to goodwill.

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 \$24,361 consisting of cash of \$3,152, shares in HEALWELL with fair value of \$14,961, a holdback receivable of \$606 and other deferred payments of \$5,642. The gain on disposal before tax was \$11,280.

b. 2023 Acquisition and Dispositions

During the nine months ended September 30, 2024, the Company finalized the purchase accounting for the acquisition of Manitoba Clinic ("MBC") that was acquired in 2023. As a result, the Company made a payment of \$757 and allocated it to property and equipment.

On April 1, 2023, the Company sold its 51% interest in Western Ohio Sedation Associates, LLC ("WOSA") and received \$11,059 (US\$8,172). The gain on disposal before tax was \$1,717 (US\$1,274), net of transaction costs of \$205 (US\$147).

WELL HEALTH TECHNOLOGIES CORP.

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18. Cash Flow Information

	Nine months ended	
	September 30,	September 30,
	2024	2023
	\$'000	\$'000
Change in non-cash operating items:		
Accounts and other receivables	(115,623)	7,294
Inventory	(737)	26
Other current assets	(7,755)	(4,657)
Other non-current assets	1,633	(221)
Accounts payable and accrued liabilities	17,754	(9,877)
Unearned revenue	470	476
Other non-current liabilities	(1,434)	1,340
Other current liabilities	148,131	(651)
	42,439	(6,270)

	Nine months ended	
	September 30,	September 30,
	2024	2023
	\$'000	\$'000
Equity and debt investments in associates and others:		
Investment in doctorly	(73)	(681)
Investment in Graphium	-	(388)
	(73)	(1,069)

	Nine months ended	
	September 30,	September 30,
	2024	2023
	\$'000	\$'000
Business acquisitions, net of cash acquired :		
Shoppers (Note 17(a))	(100)	-
Pacific Medical (Note 17(a))	(1,047)	-
MCI Medical Clinics (Alberta) Inc. ("MCI AB")	-	(1,027)
Trillium Medical Billing Agency Inc. ("TMBA")	-	(131)
Care Plus Medical Corporation	-	(46,149)
Seekinto Ltd.	-	311
	(1,147)	(46,996)
Asset acquisitions:		
Affiliated Tampa Anesthesia Associates, LLC	-	(6,173)
Lone Star Anesthesia Associates, LLC	-	(8,592)
	-	(14,765)

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(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

19. 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.

Since November 2023, the Company's subsidiary WISP, Inc. ("WISP") has had two class actions and one mass arbitration filed against it, each 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.). WISP is currently negotiating a resolution for one of the class-actions. It has settled the other class action and the mass arbitration matters. For the nine months ended September 30, 2024, the Company recognized an expense of \$1,134 in general and administrative expenses for settlement costs and legal fees in relation to the claims.

20. Financial Instruments

a. Classification of Financial Instruments

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

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(Unaudited, expressed in thousands of Canada dollars unless otherwise stated, except share and per share amounts)

	September 30,	December 31,
	2024	2023
	\$'000	\$'000
Financial assets at amortized cost		
Cash and cash equivalents	66,150	43,423
Accounts and other receivables	216,828	94,991
Lease receivable	2,322	2,959
Other current and non-current assets	31,968	25,880
	317,268	167,253
Financial assets at fair value through profit or loss ("FVPL")		
Equity and debt investments	109,858	56,170
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	66,208	47,877
Loans and borrowings	265,443	295,601
Convertible debentures	54,575	49,421
Lease liability	76,349	81,261
Other current and non-current liabilities	170,126	23,840
	632,701	498,000
Financial liabilities at fair value through profit or loss ("FVPL")		
Deferred acquisition costs	23,471	37,071
Financial liabilities - derivatives designated as hedging instruments		
Interest rate swap included in other current liabilities	910	824

b. Fair Value Measurements

The Company's loans and borrowings, which are mainly comprised of the JPM facility and the RBC facility (Note 13), are floating rate instruments which are based on SOFR/CORRA plus 1.50% 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 \$186,688 (US\$138,298) for the JPM facility, and \$82,700 for the RBC facility as at September 30, 2024 based on a discounted cash flow analysis using Level 2 directly observable market inputs.

c. Financial Risk Management

Liquidity Risk

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

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	<i>Undiscounted payments due by period</i>				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
At September 30, 2024	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred acquisition costs and time-based earnouts	32,176	18,469	13,707	-	-
Lease obligations' minimum payments	88,132	19,629	32,336	20,117	16,050
Accounts payable and accrued liabilities	66,208	66,208	-	-	-
Working capital holdbacks	706	706	-	-	-
Other current and non-current liabilities	170,330	168,187	2,143	-	-
Loans and borrowings	268,139	8,160	259,979	-	-
Convertible debentures	79,625	3,850	75,775	-	-
	705,316	285,209	383,940	20,117	16,050

On March 28, 2024, the Company entered into an agreement with a cloud hosting services provider to secure infrastructure services for its operations. Pursuant to this agreement, the Company and its affiliates has committed to spending a total of \$25,000 over a period of five years.

Interest Rate Risk

The Company is exposed to fluctuations in interest rates through variable rate debt obligations under its syndicated credit facilities with JPM and RBC (Note 13). 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. During the nine months ended September 30, 2024 and 2023, the Company recognized fair value gains of \$315 and \$455, respectively, in other comprehensive income (loss) in relation to the interest rate swap agreement and reclassified fair value gains of \$389 and \$187, respectively, from accumulated other comprehensive income to net income. At September 30, 2024, the carrying value of the interest rate swap agreement was a liability of \$910 (December 31, 2023 – liability of \$824).

On October 23, 2024, the Company terminated the remaining interest rate swap contracts outstanding. Since the hedged item remained more probable than not of occurring, the realized loss of \$573 initially recognized in other comprehensive income (loss) as of the termination date will subsequently be reclassified into interest expense on a straight-line basis over the remaining term of the hedging relationship to February 28, 2026. On a cumulative basis since inception, the Company realized a net gain of \$131 on the interest rate swap agreement, including the realized loss incurred on early termination.

With all other variables held constant, a 10% upward movement in the interest rate would have reduced net income by approximately \$1,532 for the nine months ended September 30, 2024. There would be an equal and opposite impact on net income with a 10% downward movement in the interest rate.

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Foreign Currency Risk

The Company had no foreign currency forward contracts outstanding as at September 30, 2024 or December 31, 2023.

The Company has foreign currency subsidiaries and a 10% movement in foreign exchange rates versus the U.S. dollar would result in a change of approximately \$2,064 in the Company's net income for the nine months ended September 30, 2024.

21. Event after the reporting period

On October 1, 2024, the Company, through its WDC subsidiary, acquired a 51% interest in C-health Partners Inc. ("C-health"), a network of four diagnostic imaging clinics based in Alberta for purchase consideration of \$3,240 including cash of \$2,191 and deferred consideration of up to \$1,049 payable over three years.

On November 4, 2024, the Company announced it had entered into definitive agreements to acquire Canadian clinical assets from Jack Nathan Medical Corp. ("Jack Nathan") including 16 owned and operated clinics and 62 licensee clinics as well as Jack Nathan's rights to operate medical clinics in Walmart Canada stores, for purchase consideration of \$5,000. Transaction closing is subject to approval by Jack Nathan shareholders and the satisfaction of certain other conditions precedent, including the approval of the TSX Venture Exchange.