



# **WELL HEALTH TECHNOLOGIES CORP.**

**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**



# WELL HEALTH TECHNOLOGIES CORP.

Interim MD&A – September 30, 2024

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## BACKGROUND

This Interim Management’s Discussion and Analysis (“**Interim MD&A**”) for WELL Health Technologies Corp. (TSX: WELL; OTCQX: WHTCF) should be read in conjunction with the Company’s condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2024, and the Company’s audited annual consolidated financial statements as at and for the years ended December 31, 2023 and 2022. Except as otherwise indicated or where the context so requires, references to “WELL” or the “Company” include WELL Health Technologies Corp. and its subsidiaries. The Company prepares its condensed interim consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements – see notes 2 and 3 of the Company’s December 31, 2023 audited annual consolidated financial statements for further information. **All dollar figures stated herein are presented in thousands of Canadian dollars (\$’000 or Cdn\$’000), unless otherwise specified, except share and per share amounts.**

This Interim MD&A contains non-GAAP financial measures and ratios, including Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted EBITDA attributable to WELL Shareholders/Non-controlling interests, Adjusted Net Income, and Adjusted Net Income Per Share (basic and diluted). See “Consolidated Financial Results” section for more information.

The date of this Interim MD&A is November 6, 2024, the date on which it was approved by the Board of Directors.

Additional information relevant to the Company’s activities, including the Company’s Annual Information Form (“**AIF**”), can be found at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company was incorporated under the Business Corporations Act (British Columbia) on November 23, 2010. The Company’s headquarters are located at Suite 550 - 375 Water Street, Vancouver, BC, V6B 5C6. WELL’s healthcare clinics in Canada are located within the provinces of British Columbia, Alberta, Ontario, Quebec and Manitoba while its healthcare clinics in the U.S. are located in 24 states.

## COMPANY OVERVIEW

WELL 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. WELL exists to enable healthcare practitioners with best-in-class technology and services. The Company has built the most comprehensive end-to-end healthcare system across Canada including the largest network of clinics supporting primary care, specialized care, and diagnostics services. In the U.S., WELL provides omni-channel patient services and solutions targeting specific markets such as provider staffing, anesthesia, gastrointestinal health, women’s health, primary care and mental healthcare. In addition to providing patient services, WELL develops, integrates, and sells its own suite of technology software and technology solutions to medical clinics and healthcare practitioners. WELL’s practitioner enablement platform includes: Electronic Medical Records (“**EMR**”), telehealth platforms, practice management, billing, Revenue Cycle Management (“**RCM**”), an AI-powered virtual assistant (“**WELL AI Voice**”), digital health apps and data protection solutions.

WELL provides practitioners the choice to either join WELL’s network or purchase technology solutions from WELL. There are over 4,000 practitioners who are part of WELL’s network in which the practitioner practices at one of WELL’s owned and operated clinics and gets access to the full suite of WELL’s products and services. In this scenario, the Company manages all aspects of the clinic operations and recognizes the resulting gross

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billings from in-person and virtual patient visits while the practitioner typically receives payment under a revenue share contractual arrangement.

In addition, there are over 38,000 practitioners who purchase technology solutions while practicing at non-WELL owned clinics. Physicians can pick and choose “a la carte” solutions offered on WELL’s practitioner enablement platform. While this segment is a smaller portion of WELL’s total revenues, it has enabled the Company to create relationships with healthcare practitioners across the country and positions us favorably when it comes time to attract new physicians to one of our patient services businesses.

WELL is an acquisitive company that follows a disciplined and accretive capital allocation strategy. The Company’s mergers and acquisitions (“**M&A**”) strategy is based on acquiring additional clinical and digital assets that are highly accretive and synergistic to WELL. The Company generally seeks to acquire cash generating companies which lead to increased cash flows that are then re-invested to make additional new cash generating acquisitions. WELL operates under a shared services model which results in obtaining cost efficiencies, technological improvements and synergies across the acquisitions and the various business units where possible. The Company is focused on the implementation of digital technology solutions in its own clinic network and then selling solutions to other practitioners and medical clinics worldwide.

The Company’s revenue is derived from three key business units:

1. Canadian Patient Services;
2. WELL Health USA Patient and Provider Services; and
3. SaaS and Technology Services.

## [Canadian Patient Services](#)

WELL is the largest owner-operator of outpatient medical clinics in Canada providing primary care, allied health, specialized care, and diagnostic healthcare services. As at September 30, 2024, the Company had a total of 110 physical facilities across Canada. The Company acquired its first primary care clinics in the Province of British Columbia in February 2018. Since then, WELL expanded its footprint through several accretive acquisitions in the provinces of Alberta, Manitoba, Ontario, and Quebec.

WELL acquired MyHealth Partners Inc., now called WELL Health Diagnostic Centres (“**WDC**”) in July 2021, which significantly expanded WELL’s clinical footprint in the province of Ontario and added diagnostic capabilities to the Company’s portfolio of patient care services. WDC offers a wide range of diagnostic services to its patients including mammography, X-ray, ultrasounds and electrocardiograms (ECG). In addition to diagnostic services, WDC also provides family medicine, specialist cardiologists and mental health counselling services.

## [WELL Health USA Patient and Provider Services](#)

WELL Health USA Patient and Provider Services consists of four unique assets: CRH Medical, Provider Staffing, Circle Medical and Wisp.

WELL expanded its patient and provider services business in the U.S. with the acquisition of CRH in April 2021. CRH delivers specialized care services focused on providing gastroenterologists throughout the U.S. with innovative services and products for the treatment of gastrointestinal (GI) diseases. Through CRH, WELL gains deep access to the U.S. healthcare system, including anesthesia services for patients undergoing endoscopic procedures at 148 Ambulatory Surgery Centers (ASCs) and GI clinics across 20 states as at September 30, 2024. The acquisition of CRH meaningfully enhanced WELL’s cash flow profile, enabling future reinvestment, capital compounding, and capital allocation opportunities across other attractive healthcare and healthcare-technology segments.

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Furthermore, on July 1, 2023, CRH acquired CarePlus, enhancing and diversifying its service offerings. CarePlus operates three primary businesses: RADAR Healthcare Providers, which supplies staffing and recruitment services focusing on anesthesia providers; an Anesthesia services division, providing clinical anesthesia services similar to those of CRH; and Premier Choice Billing, offering RCM and collection services for healthcare entities.

Circle Medical is a full cycle primary care provider offering a blend of virtual and in-person care, with a specialization in mental health related care. Circle Medical is headquartered in San Francisco, California with a research and development office in Montreal, Canada. WELL made an initial equity investment in Circle Medical in 2018 and subsequently acquired a majority ownership stake in Circle Medical in 2020. WELL's investment allowed Circle Medical to expand its services and reach a wider patient population.

Circle Medical's team of healthcare providers includes primary care physicians, nurse practitioners and mental health specialists. Circle Medical offers virtual care services across 26 states and has physical facilities in 24 states in the U.S. Circle Medical has developed its own proprietary technology solutions including Circle Medical's mobile app which allows patients to schedule appointments, receive virtual patient care and access their medical records.

Wisp is an online provider of women's health and e-prescription services. Wisp's mission is to provide convenient, affordable, and personalized care to women. Wisp offers a range of services that address women's health needs, including birth control, treatment for weight care, menopause, urinary tract infections, and prescription skincare. In 2021, WELL acquired a majority ownership stake in Wisp.

One of Wisp's unique features is its focus on telemedicine and e-prescription services, which allows healthcare providers to send prescriptions directly to a patient's preferred pharmacy or directly to their homes. The e-prescription capabilities make it easier for patients to receive and manage their medications.

## Key Metrics for Canadian and WELL Health USA Patient and Provider Services

	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
<b>Canadian Patient Services</b>					
Billable Practitioners <sup>1</sup>	1,769	1,706	1,654	1,623	1,359
Non-Billable Practitioners <sup>2</sup>	686	684	651	670	477
Total Practitioners	2,455	2,390	2,305	2,293	1,836
Clinics	185	181	175	167	152
Physical Facilities	110	106	97	96	85
Total Canada Patient Visits	798,000+	766,000+	737,000+	705,000+	548,000+
<b>WELL Health USA Patient and Provider Services</b>					
Billable Practitioners <sup>1,3</sup>	1,398	1,379	1,313	1,350	1,270
Non-Billable Practitioners <sup>2</sup>	186	155	156	147	145
Total Practitioners <sup>3</sup>	1,584	1,534	1,469	1,497	1,415
Clinics	28	28	34	34	31
Physical Facilities	28	28	33	33	30
CRH ASCs / GI clinics served	148	148	144	143	143
Total US Patient Visits	682,000+	640,000+	577,000+	544,000+	505,000+
CRH Ligators Sold	43,000+	38,000+	41,000+	39,000+	36,000+
Billed Provider Hours	88,000+	84,000+	86,000+	83,000+	80,000+

**Note:**

- <sup>1</sup> Billable Practitioners are defined as Allied Health Providers, Medical Technicians, Nurses, or Physicians.
- <sup>2</sup> Non-Billable Practitioners are defined as Clinical Support Staff.
- <sup>3</sup> Billable and Total Practitioners for WELL Health USA have been adjusted to accurately reflect active providers, as inactive nurses who were still listed on our roster have now been removed.

### SaaS and Technology Services

The Company's SaaS and Technology Services revenue is derived from two key business units: (i) **WELL Provider Solutions**; and (ii) **WELL Cybersecurity**.

WELL Provider Solutions combines the WELL EMR Group, Billing and RCM Solutions, OceanMD and apps.health, into one single practitioner enablement platform.

WELL EMR Group is the provider of OSCAR Pro, an EMR platform based on McMaster University's popular web-based open-source OSCAR Pro EMR system (OSCAR is an acronym for "Open Source Clinical Application Resource"). WELL EMR Group's growth has been primarily driven by acquisitions and consolidation of a number of smaller OSCAR based EMR providers since 2019. WELL has also acquired and operates several non-OSCAR based specialty EMR vendors including Aware MD Inc. and Adracare Inc.

WELL's Billing and RCM Solutions business unit is the national category leader for billing and back-office services including "Billing-as-a-Service" ("**BaaS**") outsourcing services to doctors in Canada. Billing and RCM Solutions includes the acquisitions of DoctorCare Inc. ("**DoctorCare**"), Doctor Services Group Limited ("**DSG**"), Trillium Medical Billing Agency Inc. ("**Trillium**"), and the acquisition of ClinicAid billing software applications as part of the CloudMD Cloud Practice transaction. Billing and RCM Solutions helps practitioners grow their practice by minimizing errors, ensuring compliance with complicated medical billing claim codes and improving patient care.

OceanMD was acquired by WELL on December 1, 2021. OceanMD is Canada's leading provider of integrated solutions designed to connect patients, providers, and healthcare systems through the secure exchange of healthcare data. OceanMD's full suite of EMR-integrated patient engagement solutions, from online booking to patient messages, and check-in kiosks, reduces the burden on providers and clinic staff, while empowering patients to access their own health data. The same platform is giving clinicians a way to easily send eReferrals and eConsults through the OceanMD's Provider Network, improving overall system efficiency and reducing wait times.

apps.health is a digital health app marketplace whose mission is to connect healthcare professionals with new and pioneering solutions or "apps" which integrate securely and seamlessly with a clinic's EMR software. It currently features approximately 56 digital health applications provided by 38 app publishers.

WELL Cybersecurity, through the acquisitions of the Services Division of Cycura Inc., Source 44 Consulting Incorporated, Seekintoo Ltd. ("**Seekintoo**") and Proack Security Inc. ("**Proack**"), provides cybersecurity protection and patient data privacy solutions across all Company business units while serving external customers across diverse industries, including healthcare clients.

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### Key Metrics for SaaS and Technology Services

	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
<b>SaaS and Technology Services</b>					
Total Practitioners in Network <sup>1</sup>	38,000+	37,000+	36,000+	34,000+	33,000+
Billing & RCM Practitioners	11,200+	10,500+	10,200+	9,400+	8,900+
EMR # of Clinics <sup>1</sup>	3,200+	3,200+	3,900+	3,900+	4,000+
Apps on Apps.Health	56	55	55	55	54
OceanMD eReferrals	351,000+	352,000+	300,000+	245,000+	234,000+
Total Technology Interactions <sup>2</sup>	675,000+	622,000+	599,000+	547,000+	458,000+

#### Note:

<sup>1</sup> Growth of Total Practitioners in Network was partially offset by the sale of Intrahealth in January 2024, EMR # of clinics declined for the same reason.

<sup>2</sup> Total Technology Interactions is defined as the total number of bookings facilitated by OceanMD, Insig, and Adracare.

### WELL Ventures

WELL Ventures was created to formalize WELL's commitment to invest in and advance the digitization and modernization of healthcare in Canada and around the globe. WELL Ventures' current portfolio companies include Phelix AI Inc. ("**Phelix.ai**"), Simpill Health Group Inc. ("**Pillway**"), Twig Fertility Co. ("**Twig**"), 10432423 Canada Ltd. dba Bright ("**Bright**"), 9338-7900 Quebec Inc. dba Tap Medical ("**Tap Medical**"), 11855760 Canada Inc. dba Tali.ai ("**Tali.ai**"), Cherry Health Inc. ("**Cherry Health**"), doctorly GmbH ("**doctorly**"), and ORX Surgical Inc. ("**ORX**").

## BUSINESS UPDATES

On October 29, 2024, WELL and HEALWELL AI Inc. ("**HEALWELL**") announced the expansion of their strategic alliance to launch and manage AI-driven clinical trial sites across WELL Health clinic locations in Canada. This partnership leverages WELL Health's clinic network and HEALWELL's Contract Research Organization (CRO) capabilities to expand patient access to clinical trials and streamline trial processes. The collaboration aims to improve patient recruitment, trial efficiency, and data analysis using AI solutions, positioning WELL and HEALWELL as leaders in AI-enhanced clinical research. The initiative also generates new revenue opportunities and provides real-world data to support future healthcare innovations.

On October 17, 2024, the Company announced the launch of a comprehensive weight care vertical by its majority-owned subsidiary, Wisp. This new service provides personalized online consultations and access to four weight care solutions, including GLP-1 medications, to support women with hormonal imbalances such as perimenopause, menopause, PCOS, and endometriosis. Wisp also introduced its first over-the-counter weight-loss supplement designed to promote women's metabolic health, further expanding its menopause care offerings. Wisp now serves over 1.2 million patients as it continues to enhance its women's healthcare services.

On July 17, 2024, the Company announced the launch of its AI-powered co-pilot for cardiologists, powered by HEALWELL AI, to improve the detection of cardiovascular disease (CVD). This co-pilot, an extension of the WELL AI Decision Support (WAIDS) product offering, will be deployed in WELL Diagnostic Centers,

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Canada's largest cardiology and medical diagnostic group, across over 40 locations in Ontario. This initiative aims to assist cardiologists in identifying high-risk patients, enhancing early detection and management of CVD.

On July 10, 2024, the Company announced the approval of a historic \$44 million project, Health Compass II, the largest DIGITAL project ever awarded to advance AI-powered tech enablement for care providers. This initiative, led by WELL and its consortium partners, aims to enhance AI and interoperability in Canadian healthcare. As the lead commercialization partner and first customer, WELL will provide expertise and interoperability, enabling the development of new AI tools to support healthcare providers and improve patient outcomes.

On May 2, 2024, the Company announced the launch of the second generation WELL AI Decision Support ("**WAIDS**"), featuring advanced chronic disease screening for conditions like diabetes and hypertension. This enhanced WAIDS version facilitates patient risk stratification and expands its disease detection capabilities. Powered by HEALWELL AI, the technology aids clinicians in decision-making, addressing chronic diseases that significantly impact Canadians.

On April 30, 2024, the Company announced a five-year collaboration with Microsoft to enhance digital healthcare across North America, integrating Microsoft's cloud and AI with WELL's platform. This partnership focuses on elevating WELL's scalability and operational efficiency, aiming to transform healthcare delivery for large enterprises, including the public sector. The collaboration will also modernize WELL's cloud infrastructure, optimize costs, ensure data security, and integrate Azure OpenAI Service to advance healthcare solutions.

On February 22, 2024, the Company restructured into three groups to enhance operational efficiency. The WELL Clinics Corp Operating entity, managed by Dr. Michael Frankel, covers all Canadian clinical operations including primary care and specialized care. The Platform Solutions Group, led by Amir Javidan, consolidates Canadian platform technologies such as Provider Solutions, Cybersecurity, Public Sector, and Enterprise Solutions. WELL Health USA, overseen by Jay Kreger, continues to manage U.S. operations.

On February 7, 2024, the Company unveiled the establishment of a specialized public sector unit to aid public health systems with technology solutions. The unit aims to offer customized product offerings tailored to the public sector's distinct requirements, leveraging WELL's technology platform and outpatient clinic network. This initiative will support government endeavors to modernize healthcare delivery.

On January 26, 2024, the Company refinanced its syndicated credit facility with JPMorgan Chase Bank, N.A. ("**JPM**") to include two new syndicate members and extend the term to January 26, 2027. The US\$300 million credit facility consists of a primary US\$175 million credit facility with an additional US\$125 million accordion for future growth. Interest on the refinanced credit facility is calculated with reference to Secured Overnight Financing Rate ("**SOFR**") plus 1.75% to 3.00%, depending on the total leverage ratio of the consolidated financial results of CRH. All other key terms of the previous credit facility remained materially unchanged.

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## Business Combination, Asset Acquisitions, and Key Investments

On November 4, 2024, the Company announced the acquisition of 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.

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

On September 1, 2024, the Company completed the acquisition of Pacific Medical Clinics (“**Pacific Medical**”), consisting of three primary care clinics in British Columbia, for total purchase consideration of up to \$2,265 including cash of \$1,599 and deferred consideration of up to \$666 payable over three years..

On June 1, 2024, the Company completed the purchase to acquire all primary care medical clinics operated by Shoppers Drug Mart Inc. (“**Shoppers**”) under “The Health Clinic by Shoppers™” brand. The acquisition included 10 clinics, with over 35 physicians, located in British Columbia and Ontario.

## Dispositions

On February 1, 2024, the Company completed the sale of Intrahealth Systems Ltd. (“**Intrahealth**”), an EMR provider within the Company’s SaaS and Technology Services reportable segment, to HEALWELL for a total consideration of approximately \$24,361, consisting of cash, shares in HEALWELL and deferred payments.

## OUTLOOK

WELL anticipates maintaining its strong performance through the remainder of 2024, with a strategic focus on enhancing operations for organic growth and profitability. The company continues to pursue capital-efficient growth opportunities while effectively managing costs to deliver robust growth and sustained cash flow to shareholders. Management is pleased to update its guidance, which includes only announced acquisitions:

- Annual revenue for 2024 is projected to be in the range of \$985 million to \$995 million.
- Adjusted EBITDA<sup>(1)</sup> for 2024 is projected to be in the upper half of \$125 million to \$130 million.
- Adjusted Free Cashflow<sup>(1)</sup> available to shareholders is expected to be approximately \$55 million, before the potential impact of increases in capital expenditures in Q4 and timing of tax payments. Management believes these capital expenditures to be a prudent use of cash given WELL’s strong cash flow generation.

WELL plans to advance its U.S. and Canadian Patient Services businesses through both organic and strategic growth, prioritizing capital efficiency. This approach will enable the company to optimize per share financial performance. In Canada, WELL aims to strengthen its market leadership as the nation’s premier pan-Canadian clinical network, offering a highly integrated, tech-enabled outpatient healthcare system. WELL is also committed to growing its WELL Provider Solutions or WPS business both organically and inorganically and demonstrating clear leadership in the Canadian healthcare IT landscape.



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Leveraging its deep technological expertise and strategic relationship with HEALWELL AI, WELL is prioritizing investments in AI technologies, with plans to continue to develop and launch innovative products and enhancements across its provider and clinic network.

To boost operational efficiency and profitability, earlier this year WELL has implemented a cost optimization program, including staff restructuring and other cost-saving measures. The company's strong organic growth and healthy cash flow position it well to continue executing its growth strategies while progressively reducing debt.

## OVERALL PERFORMANCE

### Consolidated Financial Results

The following table provides selected quarterly financial information for the three months ended September 30, 2024, June 30, 2024 and September 30, 2023; and nine months ended September 30, 2024 and 2023. The results of operations from acquired businesses and entities are included from their respective dates of acquisition. **The table includes non-GAAP financial measures and reconciliations of such measures to their most comparable IFRS measure.**

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	Quarter ended			Nine months ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	251,739	243,147	204,461	726,448	544,808
Cost of sales (excluding depreciation and amortization)	(139,487)	(135,766)	(110,225)	(404,595)	(273,580)
Adjusted Gross Profit <sup>(1)</sup>	112,252	107,381	94,236	321,853	271,228
Adjusted Gross Margin <sup>(1)</sup>	44.6%	44.2%	46.1%	44.3%	49.8%
Adjusted EBITDA <sup>(1)</sup>	32,738	30,880	28,172	91,932	82,644
<b>Net income (loss)</b>	<b>(75,752)</b>	<b>116,976</b>	<b>(4,482)</b>	<b>60,824</b>	<b>(17,125)</b>
Adjusted Net Income <sup>(1)</sup>	12,996	12,107	12,862	46,406	41,536
<b>Earnings (loss) per share, basic (in \$)</b>	<b>(0.33)</b>	<b>0.45</b>	<b>(0.03)</b>	<b>0.19</b>	<b>(0.12)</b>
<b>Earnings (loss) per share, diluted (in \$)</b>	<b>(0.33)</b>	<b>0.43</b>	<b>(0.03)</b>	<b>0.19</b>	<b>(0.12)</b>
Adjusted Net Income per share, basic (in \$) <sup>(1)</sup>	0.05	0.05	0.05	0.19	0.18
Adjusted Net Income per share, diluted (in \$) <sup>(1)</sup>	0.05	0.05	0.05	0.18	0.18
<b>Reconciliation of net income (loss) to Adjusted EBITDA<sup>(1)</sup>:</b>					
Net income (loss) for the period	(75,752)	116,976	(4,482)	60,824	(17,125)
Depreciation and amortization	17,476	17,307	15,449	51,343	44,012
Income tax expense (recovery)	1,087	(1,959)	(25)	(1,050)	2,056
Interest income	(255)	(279)	(114)	(772)	(429)
Interest expense	9,103	9,689	8,966	28,333	24,568
Rent expense on finance leases	(4,675)	(4,129)	(2,672)	(12,918)	(7,743)
Stock-based compensation	2,141	4,765	7,043	12,383	19,776
Foreign exchange loss (gain)	62	(72)	(539)	(42)	(888)
Time-based earnout expense	1,829	15	1,589	3,956	13,919
Change in fair value of investments	77,092	(116,327)	-	(53,192)	-
Gain on disposal of assets and investments	(33)	-	(7)	(11,317)	(1,524)
Share of net (income) loss of associates	1,832	(177)	102	2,719	290
Other items	-	753	-	753	1,798
Transaction, restructuring and integration costs expensed	2,831	4,318	2,862	10,912	3,934
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>32,738</b>	<b>30,880</b>	<b>28,172</b>	<b>91,932</b>	<b>82,644</b>
Attributable to WELL shareholders	25,104	23,019	22,912	69,494	65,831
Attributable to Non-controlling interests	7,634	7,861	5,260	22,438	16,813
<b>Adjusted EBITDA<sup>(1)</sup></b>					
WELL Corporate	(5,368)	(5,320)	(4,933)	(15,455)	(13,914)
Canada and others	14,036	13,032	12,110	41,542	34,857
US operations	24,070	23,168	20,995	65,845	61,701
<b>Adjusted EBITDA<sup>(1)</sup> attributable to WELL shareholders</b>					
WELL Corporate	(5,368)	(5,320)	(4,933)	(15,455)	(13,914)
Canada and others	13,743	12,645	12,044	40,635	34,352
US operations	16,729	15,694	15,801	44,314	45,393
<b>Adjusted EBITDA<sup>(1)</sup> attributable to Non-controlling interests</b>					
Canada and others	293	387	66	907	505
US operations	7,341	7,474	5,194	21,531	16,308
<b>Reconciliation of net income (loss) to Adjusted Net Income<sup>(1)</sup>:</b>					
Net income (loss) for the period	(75,752)	116,976	(4,482)	60,824	(17,125)
Amortization of acquired intangible assets	11,294	11,361	11,734	34,175	33,484
Time-based earnout expense	1,829	15	1,589	3,956	13,919
Stock-based compensation	2,141	4,765	7,043	12,383	19,776
Change in fair value of investments	77,092	(116,327)	-	(53,192)	-
Share of net (income) loss of associates	1,832	(177)	102	2,719	290
Other items	-	753	-	753	1,798
Non-controlling interest included in net income (loss)	(5,440)	(5,259)	(3,124)	(15,212)	(10,606)
<b>Adjusted Net Income<sup>(1)</sup></b>	<b>12,996</b>	<b>12,107</b>	<b>12,862</b>	<b>46,406</b>	<b>41,536</b>

**Note:**

1. Non-GAAP Financial Measures

In addition to results reported in accordance with IFRS, the Company uses certain non-GAAP financial measures as supplemental indicators of its financial and operating performance. These non-GAAP financial measures include Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted EBITDA attributable to WELL Shareholders/Non-controlling interests, Adjusted Net Income, and Adjusted Net Income Per Share (basic and diluted). The Company believes these supplementary financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in its business.

Adjusted Gross Profit and Adjusted Gross Margin

The Company defines **Adjusted Gross Profit** as revenue less cost of sales (excluding depreciation and amortization) and **Adjusted Gross Margin** as adjusted gross profit as a percentage of total segment revenue or consolidated revenue, as applicable. Adjusted gross profit and adjusted gross margin should not be construed as an alternative for revenue or net income (loss) determined in accordance with IFRS. The Company does not present gross profit in its consolidated financial statements as it is a non-GAAP financial measure. The Company believes that adjusted gross profit and adjusted gross margin are meaningful metrics that are often used by readers to measure the Company's efficiency of selling its products and services.

Adjusted EBITDA

The Company defines **Adjusted EBITDA** 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. The Company considers Adjusted EBITDA to be a financial metric that measures cash flow that the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. Adjusted EBITDA should not be considered alternatives to net income (loss), cash flow from operating activities or other measures of financial performance defined under IFRS.

Adjusted EBITDA Attributable to WELL Shareholders/Non-Controlling Interests

The Company defines **Adjusted EBITDA attributable to WELL Shareholders** (or **Shareholder EBITDA**) and **Adjusted EBITDA attributable to Non-controlling interests** as the sum of the Adjusted EBITDA for each relevant legal entity multiplied by WELL's or the non-controlling interests' equity ownership, respectively.

Adjusted Net Income and Adjusted Net Income Per Share, Basic and Diluted

The Company defines **Adjusted Net Income** as net income (loss), after excluding the effects of stock-based compensation expense, amortization of acquired intangible assets, time-based earnout expense, change in fair value of investments, share of income (loss) of associates, and non-controlling interests. The Company revised its definition of Adjusted Net Income for the three and nine months ended September 30, 2024 to exclude share of income (loss) of associates. Comparative figures have been adjusted to conform to the current period definition. **Adjusted Net Income Per Share** is Adjusted Net Income divided by weighted average number of shares outstanding. The Company believes that these non-GAAP financial measures provide useful information to analyze our results, enhance a reader's understanding of past financial performance and allow for greater understanding with respect to key metrics used by management in decision making. More specifically, the Company believes Adjusted Net Income is a financial metric that tracks the earning power of the business that is available to WELL shareholders.

Adjusted Free Cashflow

The Company defines **Adjusted Free Cashflow** as Adjusted EBITDA Attributable to Shareholders, less cash interest, less cash taxes and less capital expenditures.

**Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted EBITDA attributable to WELL Shareholders/Non-controlling interests, Adjusted Net Income, Adjusted Net Income per Share (basic and diluted), and Adjusted Free Cashflow are not recognized measures for financial statement**

# WELL HEALTH TECHNOLOGIES CORP.

## Interim MD&A – September 30, 2024

presentation under IFRS and do not have standardized meanings. As such, these measures may not be comparable to similar measures presented by other companies and should be considered as supplements to, and not as substitutes for, or superior to, the corresponding measures calculated in accordance with IFRS.

### RESULTS OF OPERATIONS

#### Revenue

The following table shows a breakdown of revenue for the three months 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
<b>Patient Services</b>	<b>236,185</b>	188,521	<b>678,598</b>	496,240
<b>SaaS and Technology Services</b>	<b>15,554</b>	15,940	<b>47,850</b>	48,568
<b>Total Revenue</b>	<b>251,739</b>	204,461	<b>726,448</b>	544,808

For the three months ended September 30, 2024, the Company generated revenue of \$251,739, an increase of 23% compared to revenue of \$204,461 for the three months ended September 30, 2023. The increase in revenue is primarily attributable to the Company's organic growth and clinic acquisitions. For the nine months ended September 30, 2024, the Company generated revenue of \$726,448, an increase of 33% compared to revenue of \$544,808 for the nine months ended September 30, 2023.

Patient Services revenue, which comprises Canadian Patient Services and WELL Health USA Patient Services business units, accounted for 94% of total revenue for the three months ended September 30, 2024, compared to 92% of total revenue for the three months ended September 30, 2023. Patient Services revenue increased 25% to \$236,185 during the three months ended September 30, 2024, compared to \$188,521 for the three months ended September 30, 2023, primarily due to the Company's integration of several Canadian medical clinics acquired or absorbed in 2023, revenue from Provider Staffing, and from organic growth in Circle Medical and Wisp. For the nine months ended September 30, 2024, Patient Services revenue accounted for 93% of Total Revenue, compared to 91% of Total Revenue for the nine months ended September 30, 2023. Patient Services revenue increased 37% to \$678,598 during the nine months ended September 30, 2024 compared to \$496,240 during the nine months ended September 30, 2023.

SaaS and Technology Services revenue accounted for 6% of total revenue for the three months ended September 30, 2024, as compared to 8% for the three months ended September 30, 2023. SaaS and Technology Services revenue decreased 2% to \$15,554, during the three months ended September 30, 2024, compared to \$15,940 during the three months ended September 30, 2023 primarily due to the sale of Intrahealth on February 1, 2024. For the nine months ended September 30, 2024, SaaS and Technology Services revenue accounted for 7% of Total Revenue, as compared to 9% for the nine months ended September 30, 2023. For the nine months ended September 30, 2024, SaaS and Technology Services revenue decreased 1% to \$47,850 compared to \$48,568 during the nine months ended September 30, 2023 as organic growth was offset by lower platform revenue after the sale of Intrahealth. SaaS and Technology Services revenue includes: (i) revenue from all of the Company's EMR businesses which is primarily high margin recurring revenue; (ii) digital app revenue from WELL's apps.health marketplace; (iii) revenue from Billing and RCM Solutions; (iv) practice management software revenue; (v) EMR-integrated patient engagement solutions; and (vi) cybersecurity revenue.

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### Adjusted Gross Profit<sup>(1)</sup> and Adjusted Gross Margin<sup>(1)</sup>

The following table summarizes Adjusted Gross Profit<sup>(1)</sup> and Adjusted Gross Margin<sup>(1)</sup> 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
Revenue	<b>251,739</b>	204,461	<b>726,448</b>	544,808
Cost of sales (excluding depreciation and amortization)	<b>(139,487)</b>	(110,225)	<b>(404,595)</b>	(273,580)
Adjusted Gross Profit <sup>(1)</sup>	<b>112,252</b>	94,236	<b>321,853</b>	271,228
Adjusted Gross Margin <sup>(1)</sup>	<b>44.6%</b>	46.1%	<b>44.3%</b>	49.8%

Note:

(1) This is a non-GAAP financial measure. Refer to section "Consolidated Financial Results" for additional information.

Adjusted Gross Profit<sup>(1)</sup> increased 19% to \$112,252 for the three months ended September 30, 2024, compared to \$94,236 for the three months ended September 30, 2023. The increase in Adjusted Gross Profit<sup>(1)</sup> is primarily due to higher revenue for the three months ended September 30, 2024 from organic growth in the Company's Circle Medical and Wisp segments and from clinic acquisitions in the Primary Care segment. For the nine months ended September 30, 2024, Adjusted Gross Profit<sup>(1)</sup> increased 19% to \$321,853, compared to \$271,228 for the nine months ended September 30, 2023.

Adjusted Gross Margin<sup>(1)</sup> percentage decreased to 44.6% and 44.3% for the three and nine months ended September 30, 2024 compared to 46.1% and 49.8%, respectively for the three and nine months ended September 30, 2023. The decrease in Adjusted Gross Margin<sup>(1)</sup> percentage was primarily driven by revenue mix and the addition of recruiting revenue from the acquisition of CarePlus, which has lower margins compared to other Patient Services and SaaS and Technology Services revenue.

### General and Administrative ("G&A") Expenses

The following is a breakdown of the Company's G&A 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	<b>36,446</b>	32,774	<b>109,542</b>	92,656
Professional and consulting fees	<b>5,971</b>	6,583	<b>18,371</b>	15,682
Office expenses	<b>6,336</b>	4,413	<b>18,748</b>	10,941
Marketing and promotion	<b>23,374</b>	16,572	<b>62,315</b>	48,032
Other	<b>5,477</b>	4,862	<b>15,487</b>	15,069
	<b>77,604</b>	65,204	<b>224,463</b>	182,380

G&A expenses increased to \$77,604 and \$224,463 for the three and nine months ended September 30, 2024 respectively, compared to \$65,204 and \$182,380 for the three and nine months ended September 30, 2023. The increase was primarily due to higher salaries and benefits from increases in headcount, both from acquisitions and at the Company's headquarters, as well as an increase in marketing and promotion and

# WELL HEALTH TECHNOLOGIES CORP.

## Interim MD&A – September 30, 2024

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office expenses to support the Company's growth and M&A activities. The Company has established several shared services cost centers at its headquarters to support its various clinics and subsidiary operations and the increase in headcount relates to the growing volume and scope of shared service activities.

For the three and nine months ended September 30, 2024, the Company incurred \$2,831 and \$10,912 of transaction, restructuring and integration costs related to its M&A activities, compared to \$2,862 and \$3,934 for the three and nine months ended September 30, 2023. The transaction and restructuring costs are included in G&A expenses as professional and consulting fees, and salaries and benefits.

Marketing and promotion expenses increased to \$23,374 and \$62,315 for the three and nine months ended September 30, 2024, compared to \$16,572 and \$48,032 for the three and nine months ended September 30, 2023. This increase is mainly due to investment in growth at Circle Medical and Wisp which require higher marketing efforts than other businesses.

### Stock-Based Compensation

For the three and nine months ended September 30, 2024, the Company recognized \$2,141 and \$12,383 of stock-based compensation expense respectively, compared to \$7,043 and \$19,776 for the three and nine months ended September 30, 2023. The decrease in expense is the result of fewer stock options, restricted share units ("**RSUs**") and performance share units ("**PSUs**") granted in 2024 compared to 2023. The fair value of the options, RSUs and PSUs, as determined on the date of grant, is recognized as an expense over the vesting periods of such awards. See note 14 to the September 30, 2024 condensed interim consolidated financial statements for further information.

### Depreciation and Amortization

For the three and nine months ended September 30, 2024, the Company recognized \$17,476 and \$51,343 of depreciation and amortization, respectively, mainly related to right-of-use assets (under IFRS 16, Leases) and intangible assets acquired via business combinations and asset acquisitions, as compared to \$15,449 and \$44,012 of depreciation and amortization for the three and nine months ended September 30, 2023, respectively.

Depreciation expense relates to property and equipment (including right-of-use assets) and increased year-over-year due to the Company's acquisitions. Amortization expense relates to acquired and internally generated intangible assets and the increase corresponds directly to the number and timing of acquisitions that the Company completed during 2024 and 2023.

# WELL HEALTH TECHNOLOGIES CORP.

## Interim MD&A – September 30, 2024

### Interest Expense and Interest Income

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000
Interest on loans and borrowings	<b>5,404</b>	5,474	<b>17,025</b>	14,517
Interest on convertible debentures	<b>2,444</b>	2,201	<b>7,079</b>	6,391
Interest accretion on leases and deferred acquisition cost	<b>1,182</b>	1,009	<b>3,372</b>	2,934
Amorization of deferred financing fees	<b>73</b>	282	<b>857</b>	726
<b>Interest expense</b>	<b>9,103</b>	8,966	<b>28,333</b>	24,568
<b>Interest income</b>	<b>(255)</b>	(114)	<b>(772)</b>	(429)

For the three and nine months ended September 30, 2024, the Company recognized interest expense of \$9,103 and \$28,333, respectively, as compared to \$8,966 and \$24,568 for the three and nine months ended September 30, 2023. Interest expense relates primarily to borrowings under the Company's credit facilities with JP Morgan Chase and the Royal Bank of Canada ("RBC"), convertible debentures, and to interest accretion on lease liabilities and deferred acquisition cost liabilities. The increase in interest expense on loans and borrowings for the nine months ended September 30, 2024 was primarily due to higher long-term debt balances outstanding and an increase in variable interest rates. Interest accretion increased primarily due to the increase in lease liabilities from acquisitions. Cash interest payments for the three and nine months ended September 30, 2024 were \$5,912 and \$19,349 respectively, compared to \$5,324 and \$15,818 for the three and nine months ended September 30, 2023, respectively. Interest income was mainly related to interest earned on cash and cash equivalents and convertible debenture investments.

### Time-Based Earnout Expense

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

For the three and nine months ended September 30, 2024, the Company recognized total time-based earnout expense of \$1,829 and \$3,956, respectively, compared to \$1,589 and \$13,919 for the three and nine months ended September 30, 2023, respectively. For the nine months ended September 30, 2024, the expense was comprised of \$4,936 in relation to earnouts that are recognized over time during post-acquisition requisite service periods, a loss of \$258 on settlement of deferred acquisition costs and time-based earnout liabilities via shares, and a gain of \$1,238 on the revaluation of deferred acquisition cost liabilities.

### Change in Fair Value of Investments

For the three and nine months ended September 30, 2024, the Company recognized a non-cash fair value loss on its investments in associates of \$77,092 and a gain of \$53,192, respectively, compared to \$nil for

**WELL HEALTH TECHNOLOGIES CORP.**  
**Interim MD&A – September 30, 2024**

the three and nine months ended September 30, 2023. The fair value losses and gains were in relation to the Company's investments in HEALWELL (convertible debentures, warrants and call option). The decrease in fair value of the Company's investments in HEALWELL for the three months ended September 30, 2024 was primarily driven by a decrease in HEALWELL's share price over the same period.

Income Tax expense (recovery)

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$'000	\$'000	\$'000	\$'000
Current tax expense (recovery)	<b>2,015</b>	(541)	<b>7,135</b>	7,096
Deferred tax (recovery) expense	<b>(928)</b>	516	<b>(8,185)</b>	(5,040)
Total income tax expense (recovery)	<b>1,087</b>	(25)	<b>(1,050)</b>	2,056

For the three months ended September 30, 2024, the Company's total income tax expense of \$1,087, comprised of current tax expense of \$2,015 net of a deferred tax recovery of \$928 as compared to income tax recovery of \$25, comprised of current tax recovery of \$541 net of a deferred tax expense of \$516 for the three months ended September 30, 2023. For the nine months ended September 30, 2024, the Company recognized an income tax recovery of \$1,050, comprised of current tax expense of \$7,135 net of a deferred tax recovery of \$8,185; as compared to income tax expense of \$2,056 comprised of current tax expense of \$7,096 net of a deferred tax recovery of \$5,040 for the nine months ended September 30, 2023. The increase in current income tax expense in 2024 was due to a change in mix of income or losses in the Company's legal entities and tax jurisdictions, changes in the timing of recognition of deferred tax assets as well as an overall increase in taxable income. Deferred tax expense or recovery 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. The deferred tax recovery in 2024 primarily relates to deferred tax recoveries on amortization of acquired intangible assets. Cash tax payments, net of refunds, were (\$341) and \$3,957 for the three and nine months ended September 30, 2024, respectively, compared to cash tax payments, net of refunds of \$5,605 and \$14,082 for the three and nine months ended September 30, 2023, respectively.

Net Income (loss)

Net income (loss) for the three and nine months ended September 30, 2024 was a net loss of \$75,752 and net income of \$60,824 respectively, compared to a net loss of \$4,482 and \$17,125 for the three and nine months ended September 30, 2023. The higher net income for the nine months ended September 30, 2024 was primarily driven by the fair value gains on the Company's investments in HEALWELL.



# WELL HEALTH TECHNOLOGIES CORP.

## Interim MD&A – September 30, 2024

### RESULTS BY SEGMENT

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	\$'000	\$'000	
Total segment revenue	47,847	30,198	<b>78,045</b>	36,661	26,869	63,197	32,123	<b>158,850</b>	<b>16,594</b>	<b>3,919</b>	<b>257,408</b>
Inter-segment revenue	(56)	-	<b>(56)</b>	-	-	(51)	(603)	<b>(654)</b>	<b>(1,040)</b>	<b>(3,919)</b>	<b>(5,669)</b>
<b>Revenue - external</b>	<b>47,791</b>	<b>30,198</b>	<b>77,989</b>	<b>36,661</b>	<b>26,869</b>	<b>63,146</b>	<b>31,520</b>	<b>158,196</b>	<b>15,554</b>	<b>-</b>	<b>251,739</b>
<b>Adjusted Gross Profit <sup>(1)</sup></b>	15,202	18,879	<b>34,081</b>	20,492	19,984	24,469	3,265	<b>68,210</b>	<b>10,854</b>	<b>(893)</b>	<b>112,252</b>
<b>Adjusted Gross Margin <sup>(1)</sup></b>	31.8%	62.5%	<b>43.7%</b>	55.9%	74.4%	38.7%	10.2%	<b>42.9%</b>	<b>65.4%</b>	<b>-</b>	<b>44.6%</b>
<b>Adjusted EBITDA</b>	2,926	6,724	<b>9,650</b>	2,567	1,462	17,547	2,494	<b>24,070</b>	<b>4,386</b>	<b>(5,368)</b>	<b>32,738</b>

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	\$'000	\$'000	
Total segment revenue	29,234	28,549	<b>57,783</b>	22,708	19,891	64,804	24,788	<b>132,191</b>	<b>16,643</b>	<b>3,730</b>	<b>210,347</b>
Inter-segment revenue	(3)	-	<b>(3)</b>	-	-	(50)	(1,400)	<b>(1,450)</b>	<b>(703)</b>	<b>(3,730)</b>	<b>(5,886)</b>
<b>Revenue - external</b>	<b>29,231</b>	<b>28,549</b>	<b>57,780</b>	<b>22,708</b>	<b>19,891</b>	<b>64,754</b>	<b>23,388</b>	<b>130,741</b>	<b>15,940</b>	<b>-</b>	<b>204,461</b>
<b>Adjusted Gross Profit <sup>(1)</sup></b>	9,832	18,141	<b>27,973</b>	12,065	13,521	27,047	2,367	<b>55,000</b>	<b>11,969</b>	<b>(706)</b>	<b>94,236</b>
<b>Adjusted Gross Margin <sup>(1)</sup></b>	33.6%	63.5%	<b>48.4%</b>	53.1%	68.0%	41.7%	9.5%	<b>41.6%</b>	<b>71.9%</b>	<b>-</b>	<b>46.1%</b>
<b>Adjusted EBITDA</b>	2,313	6,587	<b>8,900</b>	(1,058)	170	20,262	1,621	<b>20,995</b>	<b>3,210</b>	<b>(4,933)</b>	<b>28,172</b>

# WELL HEALTH TECHNOLOGIES CORP.

## Interim MD&A – September 30, 2024

### 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	
Total segment revenue	138,795	91,858	<b>230,653</b>	97,376	72,268	189,248	91,399	<b>450,291</b>	<b>51,072</b>	<b>11,931</b>	<b>743,947</b>
Inter-segment revenue	(239)	-	<b>(239)</b>	-	-	(139)	(1,968)	<b>(2,107)</b>	<b>(3,222)</b>	<b>(11,931)</b>	<b>(17,499)</b>
<b>Revenue - external</b>	<b>138,556</b>	<b>91,858</b>	<b>230,414</b>	<b>97,376</b>	<b>72,268</b>	<b>189,109</b>	<b>89,431</b>	<b>448,184</b>	<b>47,850</b>	<b>-</b>	<b>726,448</b>
<b>Adjusted Gross Profit <sup>(1)</sup></b>	<b>44,064</b>	<b>57,806</b>	<b>101,870</b>	<b>53,671</b>	<b>53,179</b>	<b>72,550</b>	<b>9,105</b>	<b>188,505</b>	<b>33,636</b>	<b>(2,158)</b>	<b>321,853</b>
<b>Adjusted Gross Margin <sup>(1)</sup></b>	<b>31.7%</b>	<b>62.9%</b>	<b>44.2%</b>	<b>55.1%</b>	<b>73.6%</b>	<b>38.3%</b>	<b>10.0%</b>	<b>41.9%</b>	<b>65.9%</b>	<b>-</b>	<b>44.3%</b>
<b>Adjusted EBITDA</b>	<b>8,900</b>	<b>21,059</b>	<b>29,959</b>	<b>5,765</b>	<b>3,126</b>	<b>50,234</b>	<b>6,720</b>	<b>65,845</b>	<b>11,583</b>	<b>(15,455)</b>	<b>91,932</b>

### 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	
Total segment revenue	78,899	83,943	<b>162,842</b>	66,748	57,664	185,734	24,788	<b>334,934</b>	<b>51,768</b>	<b>12,544</b>	<b>562,088</b>
Inter-segment revenue	(17)	-	<b>(17)</b>	-	-	(118)	(1,400)	<b>(1,518)</b>	<b>(3,201)</b>	<b>(12,544)</b>	<b>(17,280)</b>
<b>Revenue - external</b>	<b>78,882</b>	<b>83,943</b>	<b>162,825</b>	<b>66,748</b>	<b>57,664</b>	<b>185,616</b>	<b>23,388</b>	<b>333,416</b>	<b>48,567</b>	<b>-</b>	<b>544,808</b>
<b>Adjusted Gross Profit <sup>(1)</sup></b>	<b>27,590</b>	<b>54,747</b>	<b>82,337</b>	<b>34,850</b>	<b>39,621</b>	<b>80,610</b>	<b>2,367</b>	<b>157,448</b>	<b>33,746</b>	<b>(2,303)</b>	<b>271,228</b>
<b>Adjusted Gross Margin <sup>(1)</sup></b>	<b>35.0%</b>	<b>65.2%</b>	<b>50.6%</b>	<b>52.2%</b>	<b>68.7%</b>	<b>43.4%</b>	<b>9.5%</b>	<b>47.0%</b>	<b>65.2%</b>	<b>-</b>	<b>49.8%</b>
<b>Adjusted EBITDA</b>	<b>5,347</b>	<b>20,348</b>	<b>25,695</b>	<b>(914)</b>	<b>(211)</b>	<b>61,205</b>	<b>1,621</b>	<b>61,701</b>	<b>9,162</b>	<b>(13,914)</b>	<b>82,644</b>

#### Note:

(1) This is a non-GAAP financial measure. Refer to section "Consolidated Financial Results" for additional information.

#### [Canadian Patient Services](#)

For the three months ended September 30, 2024, the Company's Primary Care segment generated total revenue of \$47,847, an increase of 64% compared to \$29,234 for the three months ended September 30, 2023. The increase related primarily to acquisitions completed in the last twelve months, most notably the Ontario and Alberta based medical clinics from HEALWELL, Manitoba clinic and 10 clinics from Shoppers Drug Mart. The Company also continued to achieve strong organic growth from efficient execution of its clinic transformation and clinic absorption programs. Adjusted gross margin for the three months ended September 30, 2024 in the Company's Primary Care segment was 31.8% compared to 33.6% for the same quarter in the prior year. The decrease was mainly due to revenue mix as gross margins can vary between primary care, preventative and allied care clinics. Adjusted EBITDA increased 27% to \$2,926 (or 6.1% of total segment revenue) for the three months ended September 30, 2024 from \$2,313 (or 7.9% of total segment revenue) for the three months ended September 30, 2023. Adjusted EBITDA as a percentage of total

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segment revenue decreased mainly due to the recently acquired clinics which, as expected, contributed lower margins in their earlier stages of clinic transformation.

For the nine months ended September 30, 2024, the Company's Primary Care segment generated total revenue of \$138,795, an increase of 76% compared to \$78,899 for the nine months ended September 30, 2023. The increase was primarily due to acquisitions as described above. Adjusted gross margin in the Company's Primary Care segment for the nine months ended September 30, 2024 decreased to 31.7% from 35.0% for the same nine months in the prior year mainly due to revenue mix. Adjusted EBITDA increased to \$8,900 (or 6.4% of total segment revenue) for the nine months ended September 30, 2024 from \$5,347 (or 6.8% of total segment revenue) for the nine months ended September 30, 2023.

For the three months ended September 30, 2024, the Company's WDC segment generated total revenue of \$30,198, an increase of 6% compared to \$28,549 for the three months ended September 30, 2023. The increase related to continued strong organic growth across the diagnostic clinic network. Adjusted gross margin for the three months ended September 30, 2024 was 62.5% compared to 63.5% for the same quarter in the prior year. Adjusted EBITDA increased to \$6,724 (or 22.3% of total segment revenue) for the three months ended September 30, 2024 from \$6,587 (or 23.1% of total segment revenue) for the three months ended September 30, 2023.

For the nine months ended September 30, 2024, the Company's WDC segment generated total revenue of \$91,858, an organic growth increase of 9% compared to \$83,943 for the nine months ended September 30, 2023. Adjusted gross margin for the nine months ended September 30, 2024 decreased to 62.9% from 65.2% for the same nine month period in the prior year. Adjusted EBITDA was \$21,059 (or 22.9% of total segment revenue) for the nine months ended September 30, 2024 compared to \$20,348 (or 24.2% of total segment revenue) for the nine months ended September 30, 2023. The decrease in Adjusted gross margin and Adjusted EBITDA as a percentage of revenue was mainly a result of higher diagnostic consultations in our high margin nuclear medicine line of business and lower direct costs due to stock incentives provided to physicians in the comparative period.

In total, the Canadian Patient Services business unit generated Shareholder EBITDA<sup>(1)</sup> of \$9,492 and \$29,459, respectively, for the three and nine months ended September 30, 2024, compared to \$8,799 and \$25,307, respectively, for the same periods in the prior year.

#### [WELL Health USA Patient and Provider Services](#)

##### *Circle Medical*

For the three months ended September 30, 2024, the Company's Circle Medical segment generated total revenue of \$36,661, an organic growth increase of 61% compared to \$22,708 for the three months ended September 30, 2023. Adjusted gross margin increased to 55.9% for the three months ended September 30, 2024 from 53.1% for the same quarter in the prior year mainly due to lower provider costs. Adjusted EBITDA increased to \$2,567 (or 7.0% of total segment revenue) for the three months ended September 30, 2024 from an Adjusted EBITDA loss of \$1,058 (or -4.7% of total segment revenue) for the three months ended September 30, 2023. The significant improvement in EBITDA margins resulted from the higher revenue and adjusted gross margin percentage, efficient expense management and capitalization of certain software development costs.

For the nine months ended September 30, 2024, the Company's Circle Medical segment generated total revenue of \$97,376 compared to \$66,748 for the nine months ended September 30, 2023, representing organic growth of 46%. Adjusted gross margin for the nine months ended September 30, 2024 increased

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to 55.1% from 52.2% for the same period in the prior year mainly due to a reduction of cost of sales as described above. Adjusted EBITDA increased to \$5,765 (or 5.9% of total segment revenue) for the nine months ended September 30, 2024 compared to an EBITDA loss of \$914 (or -1.4% of total segment revenue) for the nine months ended September 30, 2023 primarily due to the higher revenue and adjusted gross margin percentage and capitalization of certain software development costs. In the comparative period, the Company also incurred incremental operating costs in preparation for the forecasted end of the public health emergency in the United States that temporarily impacted margins negatively.

### *Wisp*

For the three months ended September 30, 2024, the Company's Wisp segment generated total revenue of \$26,869, an organic growth increase of 35% compared to \$19,891 for the three months ended September 30, 2023. Adjusted gross margin for the three months ended September 30, 2024 was 74.4% compared to 68.0% for the same period in the prior year due to more favourable pricing with pharmacy partners. Adjusted EBITDA increased 760% to \$1,462 (or 5.4% of total segment revenue) for the three months ended September 30, 2024 from \$170 (or 0.9% of total segment revenue) for the three months ended September 30, 2023. The increase in EBITDA margin as a percentage of revenue was primarily due to the higher revenue and adjusted gross margin percentage and effective cost management.

For the nine months ended September 30, 2024, the Company's Wisp segment generated total revenue of \$72,268, an increase of 25% compared to \$57,664 in the same period in the prior year. Adjusted gross margin for the nine months ended September 30, 2024 increased to 73.6% from 68.7% for the same nine months in the prior year as the comparative period margin was negatively impacted by incremental costs in relation to a significant outage at one of the company's main pharmacy partners. Adjusted EBITDA increased to \$3,126 (or 4.3% of total segment revenue) for the nine months ended September 30, 2024 compared to an EBITDA loss of \$211 (or -0.4% of total segment revenue) for the nine months ended September 30, 2023 primarily due to the higher adjusted gross margin percentage in the 2024 period.

### *CRH Medical*

For the three months ended September 30, 2024, the Company's CRH Medical segment generated total revenue of \$63,197, a 2% decrease compared to \$64,804 generated in the three months ended September 30, 2023. The segment achieved solid organic growth during the quarter and favorable foreign exchange translation, however this was offset by less one-time revenue this year. Adjusted gross margin for the three months ended September 30, 2024 was 38.7% compared to 41.7% for the same quarter in the prior year. The decrease was mainly due to payor mix from year to year, an increase in provider costs and less one-time revenue which carried higher margins. Adjusted EBITDA decreased to \$17,547 (or 27.8% of total segment revenue) for the three months ended September 30, 2024 from \$20,262 (or 31.3% of total segment revenue) for the three months ended September 30, 2023. The decrease in Adjusted EBITDA as a percentage of revenue was mainly due to the lower adjusted gross margin percentage.

For the nine months ended September 30, 2024, the Company's CRH Medical segment generated total revenue of \$189,248, an increase of 2% compared to \$185,734 for the nine months ended September 30, 2023, mainly due to organic growth and favourable foreign exchange translation offset by less one-time revenue. Adjusted gross margin for the nine months ended September 30, 2024 decreased to 38.3% from 43.4% for the same nine months in the prior year. Adjusted EBITDA was \$50,234 (or 26.5% of total segment revenue) for the nine months ended September 30, 2024 compared to \$61,205 (or 33.0% of total segment revenue) for the nine months ended September 30, 2023. The year to date adjusted gross margin percentage and adjusted EBITDA percentage decreased for the same reasons as described above for the three-month period.

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### *Provider Staffing (“Radar”)*

The Company acquired its Radar segment as part of the acquisition of CarePlus on July 1, 2023. For the three months ended September 30, 2024, the Company’s Radar segment generated total revenue of \$32,123, an organic growth increase of 30% compared to \$24,788 for the three months ended September 30, 2023. Adjusted gross margin for the three months ended September 30, 2024 increased to 10.2% from 9.5% for the same period in the prior year. Adjusted EBITDA increased to \$2,494 (or 7.8% of total segment revenue) for the three months ended September 30, 2024 compared to \$1,621 (or 6.5% of total segment revenue) for the three months ended September 30, 2023 mainly due to the higher revenue and adjusted gross profit. For the nine months ended September 30, 2024, Radar generated total revenue of \$91,399 and achieved adjusted gross margin of 10.0% and Adjusted EBITDA of \$6,720 (or 7.4% of total segment revenue). The Radar segment continues to execute on achieving planned synergies to increase margins.

In total, the WELL Health USA Patient and Provider Services business unit, including Circle Medical, Wisp, CRH Medical and Radar, generated Shareholder EBITDA<sup>(1)</sup> of \$16,729 and \$44,314, respectively, for the three and nine months ended September 30, 2024, compared to \$15,801 and \$45,393, respectively, for the same periods in the prior year. For the nine month periods, the decrease was primarily due to the lower margins generated in the CRH Medical business segment as described above, most notably the impact from the one-time revenue in the second and third quarters of 2023 which disproportionately impacted Shareholder EBITDA<sup>(1)</sup> compared to Adjusted EBITDA attributable to non-controlling interests<sup>(1)</sup> offset by higher Shareholder EBITDA<sup>(1)</sup> from Circle Medical and Wisp segments in the 2024 periods.

### SaaS and Technology Services

For the Company’s SaaS and Technology Services segment, year-over-year comparisons are impacted by the sale of Intrahealth to HEALWELL on February 1, 2024. The following analysis focuses on continuing businesses only excluding the impact of Intrahealth. For the three months ended September 30, 2024, the Company’s SaaS and Technology Services business unit generated total revenue from continuing businesses of \$16,594, an increase of 20% compared to \$13,784 for the three months ended September 30, 2023 driven mainly by strong organic growth from the Company’s OceanMD business unit. Adjusted Gross Margin from continuing businesses in the SaaS and Technology Services segment for the three months ended September 30, 2024 was 65.4% compared to 69.2% for the same quarter in the prior year reflecting a change in revenue mix. Adjusted EBITDA from continuing businesses increased to \$4,386 (or 26.4% of total segment revenue) for the three months ended September 30, 2024 from \$2,765 (or 20.1% of total segment revenue) for the three months ended September 30, 2023. Adjusted EBITDA as a percentage of revenue increased due to revenue mix, effective cost management and higher capitalization of software development expenditures during the three months ended September 30, 2024.

For the nine months ended September 30, 2024, the Company’s SaaS and Technology Services segment generated total revenue from continuing businesses of \$50,130 an increase of 15% compared to \$43,673 generated in the same period in the prior year. Adjusted Gross Margin from continuing businesses in the SaaS and Technology Services segment for the nine months ended September 30, 2024 was 65.5% compared to 61.7% for the same period in the prior year. Adjusted EBITDA from continuing businesses increased to \$11,552 (or 23.0% of total segment revenue) for the nine months ended September 30, 2024 from \$8,402 (or 19.2% of total segment revenue) for the nine months ended September 30, 2023.

The SaaS and Technology Services business unit generated Shareholder EBITDA<sup>(1)</sup> from continuing businesses of \$4,251 and \$11,145, respectively, for the three and nine months ended September 30, 2024,

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compared to \$2,795 and \$8,285, respectively, for the same periods in the prior year, representing increases of 52% and 35%, respectively.

### QUARTERLY FINANCIAL HIGHLIGHTS

The following quarterly financial highlights have been derived from the Company's condensed interim consolidated financial statements and should be read in conjunction with those financial statements and related notes.

	Q3 2024 \$ '000	Q2 2024 \$ '000	Q1 2024 \$ '000	Q4 2023 \$ '000	Q3 2023 \$ '000	Q2 2023 \$ '000	Q1 2023 \$ '000	Q4 2022 \$ '000
Total revenue	251,739	243,147	231,562	231,246	204,461	170,922	169,425	156,513
Net income (loss)	(75,752)	116,976	19,600	33,762	(4,482)	(2,016)	(10,627)	22,084
Net income (loss) per share, basic (in \$)	(0.33)	0.45	0.06	0.12	(0.03)	(0.03)	(0.06)	0.09
Net income (loss) per share, diluted (in \$)	(0.33)	0.43	0.06	0.12	(0.03)	(0.03)	(0.06)	0.09
Adjusted Gross Profit <sup>(1)</sup>	112,252	107,381	102,220	101,039	94,236	90,823	86,169	80,237
Adjusted Gross Margin <sup>(1)</sup>	44.6%	44.2%	44.1%	43.7%	46.1%	53.1%	50.9%	51.3%
Adjusted EBITDA <sup>(1)</sup>	32,738	30,880	28,314	30,750	28,172	27,789	26,683	27,174

Note:

(1) This is a non-GAAP financial measure. Refer to section "Consolidated Financial Results" for additional information.

The growth in the Company's quarterly revenue is primarily attributed to acquisitions but also includes organic growth which varies by business unit.

WELL's quarterly revenue is susceptible to seasonality which varies depending on each business unit.

- For the clinic network, the winter months historically have higher patient visits due to increased cases of flu and illness in those months, resulting in an increase in revenue in Q4 and Q1, whereas the summer months of July and August have the least amount of patient visits resulting in lower clinical revenue in those two months.
- For CRH, Q1 is the weakest quarter and Q4 is the strongest seasonal quarter in terms of revenue per procedure, Adjusted Gross Profit<sup>(1)</sup> and Adjusted EBITDA<sup>(1)</sup> margins, since many patients with commercial insurance plans tend to have endoscopic procedures in the latter half of the year, at a time when their deductibles have generally been met.
- Almost all of WDC revenue arises from referrals from physicians, therefore Q2 is the seasonally strongest quarter as there are more working days in Q2 compared to the slowdown in the summer months and the December holiday season.
- Revenue generated from the Company's WELL EMR Group primarily consists of monthly recurring revenue and is less susceptible to seasonal increases and decreases.

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## FINANCIAL POSITION

Total assets of the Company as at September 30, 2024 were \$1,593,128, representing an increase of \$183,826 from \$1,409,302 as at December 31, 2023. The change related primarily to the Company's investments in HEALWELL that are measured at fair value through profit and loss which increased by \$53,492, an increase in accounts and other receivables of \$121,837, and an increase in investments accounted for using the equity method of \$12,242. 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 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.

Total liabilities of the Company as at September 30, 2024 were \$675,098, representing an increase of \$111,942 from \$563,156 as at December 31, 2023. The increase related primarily to a higher amount of other liabilities driven by advances received from CRH's billings service provider as described above and a \$18,331 increase in accounts payable and accrued liabilities partially offset by settlement of deferred acquisition cost liabilities.

Net working capital, defined as current assets less current liabilities, decreased to \$37,764 as at September 30, 2024, compared to \$60,437 at December 31, 2023.

Equity attributable to owners of WELL as at September 30, 2024 increased to \$847,122, compared to \$767,666 as at December 31, 2023. The net increase of \$79,456 was mainly due to net income for the period, favourable foreign exchange translation on foreign operations, and increase in contributed surplus from stock-based compensation expense for the period.

## LIQUIDITY AND CAPITAL RESOURCES

### Sources of Liquidity

The Company's principal sources of liquidity are cash provided by operations and access to credit facilities and equity capital resources, including private placement share offerings. The Company's primary near-term cash requirements are to pay operating expenses, fund working capital, service and repay long-term debt and to invest in research and development and technologies for growth initiatives. Cash is also used to finance acquisitions and other long-term strategic business initiatives.

The Company had cash and cash equivalents of \$66,150 as at September 30, 2024 and \$43,423 as at December 31, 2023. Based on its cash position, principal sources of liquidity and operating budget, the Company believes that it will have sufficient liquidity to enable the Company to meet its anticipated operating, debt service, growth, investment and other financial requirements for at least the next twelve months from the date of issuance of this Interim MD&A.

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### Cash Flows

The following table summarizes the Company's cash flows for the nine months ended September 30, 2024 and 2023:

	<b>Nine months ended</b>	
	<b>September 30,</b>	September 30,
	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Cash provided by operating activities	<b>112,112</b>	51,744
Cash used in investing activities	<b>(17,089)</b>	(68,399)
Cash used in financing activities	<b>(73,255)</b>	9,774
Effect of foreign exchange rate changes on cash and cash equivalents	<b>256</b>	(56)
Net change in cash and cash equivalents	<b>22,024</b>	(6,937)
Cash included in assets held for sale at beginning of period	<b>703</b>	-
Cash and cash equivalents, beginning of period	<b>43,423</b>	48,908
Cash and cash equivalents, end of period	<b>66,150</b>	41,971

### Operating Activities

During the nine months ended September 30, 2024, the Company generated \$112,112 of cash from operating activities compared to \$51,744 for the nine months ended September 30, 2023. The increase in cash provided by operating activities was mainly due to an increase in operating income and changes in working capital, most notably from advance payments received by CRH from Change Healthcare and an increase in accounts payables.

### Investing Activities

During the nine months ended September 30, 2024, the Company used \$17,089 in investing activities, as compared to \$68,399 for the nine months ended September 30, 2023. This included:

- \$10,265 used on the acquisition of property and equipment and internal development of intangible assets for the nine months ended September 30, 2024 (2023 - \$6,199);
- \$Nil used on restricted cash for the nine months ended September 30, 2024 (2023 – \$3,292);
- \$1,147 used on business and asset acquisitions for the nine months ended September 30, 2024 (2023 - \$61,761);
- \$73 used on the purchase of equity and debt investment in associates and others for the nine months ended September 30, 2024 (2023 – \$1,069);
- \$2,390 generated by proceeds from disposal of investments for the nine months ended September 30, 2024 (2023 – \$11,438);
- \$1,252 used on working capital holdback settlements for the nine months ended September 30, 2024 (2023 - \$737); and
- \$6,742 used on deferred acquisition cost payments for the nine months ended September 30, 2024 (2023 - \$6,779).



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### Financing Activities

During the nine months ended September 30, 2024, the Company used \$73,255 on financing activities compared to generating cash of \$9,774 for the nine months ended September 30, 2023. The Company made net repayments of \$36,690 under its credit facilities for the nine months ended September 30, 2024 (2023 – net proceeds of \$39,380). During the nine months ended September 30, 2024, the Company paid \$22,816 to non-controlling interests (2023 – \$20,084) and \$14,633 for lease payments (2023 -\$8,804).

### Loans and Borrowings

The following table summarizes the Company's loans and borrowings:

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

### Credit Facilities

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)).

On January 1, 2024, the Company adopted "Non-current Liabilities with Covenants (Amendments to IAS 1)". 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).

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, and WHCC and MyHealth, respectively. Financial covenants include maintenance of certain leverage ratios, fixed charge

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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.

### TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT

#### 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:

	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
	<b>1,096</b>	<b>2,957</b>	<b>4,952</b>	<b>7,490</b>

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 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.

## **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 underlying sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarized below:

### Revenue Recognition

Estimates are required in the determination 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 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. 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 unobservable 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 and the Company's deferred acquisition cost liabilities, and the resulting change in fair value of investments as reported in the consolidated statement of income (loss).

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### [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).

### FINANCIAL INSTRUMENTS

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 and are subsequently measured based on their classification.

### [Classification of Financial Instruments](#)

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

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

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### Fair Value Measurements

The Company's loans and borrowings, which are mainly comprised of the JPM facility and the RBC facility, 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.

### Financial Risk Management

#### *Liquidity Risk*

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

	<i>Undiscounted payments due by period</i>				
	<b>Total</b>	Less than 1 year	1-3 years	4-5 years	After 5 years
<b>At September 30, 2024</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred acquisition costs and time-based earnouts	<b>32,176</b>	18,469	13,707	-	-
Lease obligations' minimum payments	<b>88,132</b>	19,629	32,336	20,117	16,050
Accounts payable and accrued liabilities	<b>66,478</b>	66,478	-	-	-
Working capital holdbacks	<b>706</b>	706	-	-	-
Other current and non-current liabilities	<b>170,354</b>	168,211	2,143	-	-
Loans and borrowings	<b>268,139</b>	8,160	259,979	-	-
Convertible debentures	<b>79,625</b>	3,850	75,775	-	-
	<b>705,610</b>	<b>285,503</b>	<b>383,940</b>	<b>20,117</b>	<b>16,050</b>

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. 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.

#### *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.

## WELL'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") PROGRAM

In 2021, WELL developed and launched its ESG Program which is an integral part of the Company's growth strategy and reflects its ongoing commitment to delivering on its mission, vision, and purpose. In Q2 2024, WELL Health launched its 3rd ESG Report entitled **Copilots in Healthcare Transformation**. WELL provides tools that support the entire healthcare ecosystem: the public sector, the clinic owners, the care providers and the people who rely on their services. Just as the copilot of a plane prepares the environment to streamline the pilot's work and helps guarantee a successful voyage, WELL develops technologies that create a context in which today's healthcare provider is better equipped to navigate the challenges of modern healthcare.

Also highlighted in the latest ESG Report, WELL was independently certified as a Great Place to Work® by the Great Place to Work Institute® Canada, an achievement that reflects the Company's strong commitment to creating a workplace culture centered on trust, inclusivity, and employee well-being, aligning with its 'Healthy Place to Work' ESG strategy pillar.

Key Highlights from the latest ESG report include our keen focus on artificial intelligence (AI). WELL is at the forefront of leveraging AI to revolutionize healthcare support for care providers. Since 2020, WELL has been champions of AI's potential, leading to the launch of WELL Health.ai, a significant milestone to redefine and transform healthcare delivery. Subsequent innovations have led to being present-day leaders in healthcare AI solutions. Through WELL Health.ai, WELL invests in and nurtures early-stage AI businesses, ensuring providers have access to the most valuable AI features. Additionally, WELL's AI Centre of Excellence equips their team with the skills to leverage tools like generative AI ethically and effectively, prioritizing transparency, consent and privacy in every interaction, while empowering physicians and patients.

The Company's ESG strategy has established a number of ESG priorities that support its overall growth strategy:

- **Practitioner Support and Digital Enablement:** To improve health outcomes for patients by supporting the practitioner to provide timely, accessible, and high-quality patient-centered continuous care.
- **Safeguarding Patient Data:** To safeguard the privacy and security of our patient's data while empowering them to leverage their health information.

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- **A Health Place to Work:** To uphold a culture built on respect that reflects our diverse people and communities we serve, prioritizes health and wellbeing, and empowers our people to be the best they can be.
- **Disciplined Governance and Risk Framework:** Maintaining strong oversight and discipline, including management of risk and compliance, across our business activities.

WELL is a diversified, fast-growing digital health and tech-enabled healthcare company delivering on a strong ESG program and building societal value. WELL is a purpose-driven business that aims to transform the world for the better, and as such the Company has embarked on an ongoing ESG program. The Company publishes an annual ESG report highlighting WELL's ESG strategy, reporting initiatives, and targeted actions. The ESG report can be found at <https://well.company/esg-report/>

## DISCLOSURE OF OUTSTANDING SHARE DATA

As at November 6, 2024, the Company had the following securities issued and outstanding:

Description of Security	Number of Securities Outstanding	Additional Comments
Common Shares	248,963,981	
Stock Options	396,966	Exercisable at prices ranging from \$2.24 to \$3.25
RSUs	3,528,634	
PSUs	2,579,461	
Convertible debentures	7,583,966	
<b>Total, Fully Diluted</b>	<b>263,053,008</b>	

## RISKS AND UNCERTAINTIES

The Company's management believes that the following risks are among the most important in order to understand the issues that face its financial performance, business and its approach to risk management:

1. **The Company is Reliant on its Key Personnel:** The Company's success depends substantially on its small number of officers and executives, including Hamed Shahbazi as the CEO and Chair, Eva Fong as the CFO, and Amir Javidan as the COO. If the Company lost the services of one or more key executive members, its ability to implement its business plan could be severely impaired.
2. **Stock Market Volatility:** There can be no assurance that an active and liquid market for the Company's common shares will be maintained and investors may find it difficult to resell the common shares. The market price of the Company's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company and its subsidiaries, general economic conditions, legislative changes, the impacts of any short selling activities on supply and demand for the Company's common shares, and other events and factors outside of the Company's control. In addition, stock markets have from time-to-time experienced extreme price and volume fluctuations, which could adversely affect the market price for the Company's common shares. As the Company operates a highly accretive M&A program with acquisitions partly funded by the Company's common shares, a decline in the Company's share price could adversely affect the Company's pace of acquisitions and M&A activity.



- 3. Third Party Suppliers:** The Company relies heavily on third parties such as its IT and EMR vendors/partners and medical supply vendors to provide some of its goods and services. If these third parties were unable or unwilling to provide these goods and services in the future, or provide these goods and services less cost effectively due to inflation, WELL would need to obtain such goods or services from other providers if they are available. This could cause the Company to incur additional costs or cause material interruptions to its business until these goods and services are replaced, if possible. In the event of a loss of data or breach of the contractual provisions by the third party supplier which leads to monetary loss or damages to the Company, the Company would be affected if they could not recover such amounts from the third party supplier.
- 4. Potential for Software Systems, Database or Network Related Failures or Defects:** The Company relies on software systems, databases and networks to process, transmit and store digital information. The Company also relies on technological solutions from a number of vendors and business units to effectively work together in order to deliver its digital solutions and services to its customers. A software bug, failure or defect may negatively impact software systems, databases and networks from operating properly which could result in the inability of our customers from receiving our products for an indeterminate period of time.
- 5. AI Technologies:** The Company develops, sells and has deployed products and services which incorporate third party large language model technologies (collectively "AI") to facilitate—and improve healthcare delivery. While some laws, regulations, and guidance have been published with respect to the use of AI in the healthcare system, particularly as it relates to the privacy of individuals; due to its relative recent popularity, robust legislation, regulations, case-law, standards and guidance have yet to emerge across all jurisdictions. The Company has adopted a risk-based approach for the development and deployment of AI technologies across its business. Depending on future case-law or government bodies' interpretations of existing laws or regulations, the Company's interpretation of existing laws and regulations could be found to be in violation of existing laws and the Company may be subject to fines or penalties. The public's attitude towards AI technologies as part of healthcare delivery, are subject to change and may require Company to alter its product and service offering to comply with new requirements or shifting public attitudes towards AI technologies. Further, the Company relies on third party large language models to provide its product offering. If these third parties no longer provide such services, or are no longer able to provide such services to the standards required of the Company, the Company's ability to offer and utilize AI products and services will be comprised.
- 6. Changes to Payment Rates or Methods of Third-Party Payors May Adversely Impact Profitability:** Changes in payment rates, including U.S. government healthcare programs, changes to the U.S. laws and regulations that regulate payments for medical services, the failure of payment rates to increase as costs increase, or changes to payor mix, could adversely affect operating margins and revenues. The Company provides anesthesia services primarily through fee for service payor arrangements. Under these arrangements, the Company collects fees directly through the entities at which anesthesia services are provided, and assumes financial risks related to changes in third-party reimbursement rates and changes in payor mix. The Company's revenue decreases if the volume or reimbursement decreases, but the expenses may not decrease proportionately. The Company depends primarily on U.S. government, third party commercial and private and governmental third-party sources of payment for the services provided to patients. The amount that the Company receives for our services may be adversely affected by market and cost factors, as well as other factors over which it has no control, including changes to the Medicare and Medicaid payment

systems. U.S. health reform efforts at the federal and state levels may increase the likelihood of significant changes affecting U.S. government programs.

- 7. General Regulatory Compliance:** Due to the numerous jurisdictions in which the Company operates and the nature of its businesses, the Company needs to comply with each jurisdiction's laws and regulations on a wide variety of different subject, including: employment standards, privacy, tax, corporate/commercial, zoning, and securities law. While such laws, regulations, and standards are often similar as between jurisdictions, differences exist and substantial resources are required to ensure compliance with changing legislation, court decisions, guidance, regulations, and amendments in each jurisdiction.
- 8. Cybersecurity:** The Company relies on digital and internet technologies to conduct and expand its operations, including reliance on information technology to process, transmit and store sensitive and confidential data, including protected health information, personally identifiable information, and proprietary and confidential business performance data. As a result, the Company and/or its customers are exposed to risks related to cybersecurity. Such risks may include unauthorized access, use, or disclosure of sensitive information (including confidential patient health records), corruption or destruction of data, or operational disruption resulting from system impairment (e.g., malware and ransomware). Third parties to whom the Company outsources certain functions, their service providers and subcontractors, and third parties with whom their systems interface, are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information and business systems. A breach or attack affecting a third-party service provider or partner could harm the Company's business even if the Company does not control the service that is attacked or directly contract with an affected entity. For instance, the February 2024 ransomware attack against Change Healthcare, a unit of UnitedHealth Group, directly affected the Company's collections of receivables, as its primary revenue cycle management vendor utilized Change Healthcare as a clearing house.

The Company's operations depend, in part, on how well it protects networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, damage to hardware, computer viruses, hacking and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. A compromise of the Company's information technology or confidential information, or that of the Company's patients and third parties with whom the Company interacts, may result in negative consequences, including the inability to process patient transactions, reputational harm affecting patient and/or investor confidence, potential liability under privacy, security, consumer protection or other applicable laws, regulatory penalties and additional regulatory scrutiny, any of which could have a material adverse effect on the Company's business, financial position, results of operations or cash flows. As the Company has access to sensitive and confidential information, including personal information and personal health information, and since the Company may be vulnerable to material security breaches, theft, misplaced, lost or corrupted data, programming errors, employee errors and/or malfeasance (including misappropriation by departing employees), there is a risk that sensitive and confidential information, including personal information and personal health information, may be disclosed through improper use of Company systems, software solutions or networks or that there may be unauthorized access, use, disclosure, modification or destruction of such information. The Company's ongoing risk and exposure to these matters is partially attributable to the evolving nature of these threats.

**9. Healthcare Regulation and Government Policy:** Healthcare service providers in Canada and the U.S. are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition, accounting treatment and results of operations of these business units. In addition, the Company could incur significant costs in the course of complying with any changes in the regulatory regime. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations or financial performance of the Company.

**10. Legal Proceedings:** The Company is currently facing claims in both Canada and the U.S., and may be subject to further investigations, claims, arbitrations, lawsuits (including class-action lawsuits) or other dispute resolution proceedings by private and public entities in the ordinary course of its business (collectively, the "**Proceedings**"). The results of all these existing and future Proceedings cannot be predicted with certainty due to the nature of the dispute resolution process, particularly as the law surrounding the medical industry, virtual services, AI, and privacy evolves across jurisdictions. New standards, legal theories, and causes of action emerge and the possibility that new decisions may be reversed on appeal result in uncertainty for the Company. Depending on the cost of any negotiated settlement, damages, fines or penalties, the Company's insurance may not be sufficient to cover such amounts, and the Company or its subsidiaries would be required to cover the difference of any such amount.

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.

**11. Acquisitions and Integration of new Businesses Create Risks and May Affect Operating Results:** The Company may acquire additional businesses. The Company's M&A strategy involves a number of risks related to the realization of synergies and overall integration of the Company's operations, including but not limited to, human resources, company culture, product pricing, information technology, data integrity, information systems, business processes and financial management.

**12. Uncertainty of Liquidity and Capital Requirements:** The future capital requirements of the Company will depend on many factors, including all matters relating to the risks identified herein, the number and size of acquisitions consummated (if any), rate of growth of its client base, the costs of expanding into new markets (if any), the growth of the market for healthcare services and the costs of administration. In order to meet such capital requirements, the Company may consider additional public or private financing (including the incurrence of debt and the issuance of additional common shares) to fund all or a part of a particular venture, which could cause dilution of current shareholders' interest in the Company. There can be no assurance that additional funding will be available or, if available, that it will be available on acceptable terms. There can be no assurance that the Company will be able to raise additional capital if its capital resources are depleted or exhausted. Further, due to regulatory impediments and lack of investor appetite, the ability of the

Company to issue additional common shares or other securities exchangeable for or convertible into common shares to finance acquisitions may be restricted.

**13. Business Concentration by Region and Service Type:** The Company processes a significant amount of primary patient services transactions and earns a majority of its revenue from two geographic locations, the Provinces of British Columbia and Ontario, Canada. Further, the Company has a substantial portion of its revenue generated by CRH through its anesthesia services in the US. If economic, regulatory, legislative, or other factors affecting the Company's business in these jurisdictions or these services were to adversely change, the revenues of the Company would be negatively impacted.

**14. Mandatory Redemption of Physician Partners' Ownership Interests in Anesthesia Companies:** The Company's wholly-owned subsidiary, CRH, has operating agreements with its physician partners which contain a savings clause that is triggered upon an adverse governmental action, including a change in U.S. federal or state laws, rules or regulations or an interpretation of such U.S. federal or state laws, rules or regulations (each an "**Adverse Governmental Action**"). Upon the occurrence of an Adverse Governmental Action, the savings clause will require divestiture of the physicians' ownership in the anesthesia company and CRH would be required to redeem the physicians' ownership interest. If an Adverse Governmental Action occurs under a particular state's law, CRH would be required to redeem the ownership interests of each physician partner in such state. If an Adverse Governmental Action occurs under U.S. federal law, CRH would be required to redeem the ownership interest of each physician partner in the U.S. The redemption price of each anesthesia company is based upon a predetermined multiple of such anesthesia company's EBITDA, which reflects the fair market value of the redeemed interests. This could impact our cash flow during the redemption period. The redemption occurs over a period of four or five years depending on each applicable operating agreement.

**15. Confidentiality of Personal and Health Information:** The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. Even with a compliant privacy program including policies, procedures and systems, breaches may still occur. If a client's privacy is violated, or if the Company is found to have violated any law or regulation in any jurisdiction in which it operates, in addition to the reputational risk of such violation, it could be liable for damages as a result of claims initiated by affected individuals, and/or fines or penalties issued by governmental authorities.

**16. Reliance on Physician and Other Healthcare Professionals:** The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unavailable, or unable or unwilling to provide these services in the future due to any sort of reason including infection due to future pandemics, competition from hospitals, and shortage of workers, this would cause interruptions in the Company's business. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in the Company's business and result in lower revenues. As the Company expands its operations, it may encounter difficulty in securing the necessary professional medical and skilled support staff to support its expanding operations. There is currently a shortage of certain physicians in Canada and the U.S. and this may affect the Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

**17. Public Company Financial Reporting:** The Company is subject to reporting and other obligations under applicable Canadian securities laws and TSX rules, including National Instrument 52-109. These reporting and other obligations place significant demands on the Company's management, administrative, operational and accounting resources. Moreover, any failure to maintain effective internal controls could cause the Company to fail to meet its reporting obligations or result in material misstatements in its consolidated financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed, which could also cause investors to lose confidence in the Company's reported financial information, which could result in a lower trading price of its securities. Management does not expect that the Company's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

**18. The Company May Write off Intangible Assets or Carrying Value May Be Impaired:** The carrying value of our intangible assets is subject to periodic impairment testing. Under current accounting standards, intangible assets are tested for impairment on a recurring basis and WELL may be subject to impairment losses as circumstances change after an acquisition. If WELL records an impairment loss related to our intangible assets, it could have a material adverse effect on the business, financial condition, results of operations, cash flows and the trading price of our common shares.

**19. Third Party Real Estate and/or Commercial Leases:** The Company acts both as a tenant, sub-tenant and a sub-landlord within the context of the commercial spaces that it operates in. The Company does not own real property. There is a risk that these leases may not be renewed at the end of term, and a risk that an alternative location cannot be found. Moreover, these leased properties are managed by third parties and as such there is no assurance that they will be managed and maintained to meet any required environmental and safety standards.

**20. Nature Disasters, Pandemics or Other Catastrophic Events:** Catastrophic events in general can have a material impact on the potential continuity of the business. The potential resurgence of COVID-19, or the emergence of another global pandemic, could adversely affect our patient care operations, as healthcare providers may have heightened exposure if an outbreak occurs in their geography. The Company's ability to provide health care services may be adversely affected or disrupted as a result of changing patient intake patterns and needs as well as reduced availability of physicians and/or support staff. Further, an outbreak could result in adverse effects on our business and operations due to prioritization of clinic resources toward the outbreak or if quarantines and/or restrictions (such as travel restrictions) impede physician, staff or patient movement or interrupt healthcare services. In addition, the Company relies on third-party service providers to assist them in managing, monitoring and otherwise carrying out aspects of its business and operations, and the outbreak may affect their ability to devote sufficient time and resources to our programs or to travel to sites to perform work for the Company. The Company's third-party contract supplier organizations'

ability to deliver on a timely basis our required medical and other supplies such as personal protective equipment may also be limited or affected materially. Such events may result in a period of business disruption, reduced operations, any of which could materially affect our business, financial condition and results of operations. The Company's ability to serve patients remotely via telehealth services could be affected by technology vulnerabilities and/or glitches that could impede the ability for physicians and patients to access and/or utilize the software reliably.

**21. Technological Changes:** The Company operates in a highly competitive environment where its software and other products and services are subject to rapid technological change and evolving industry standards. The Company's future success partly depends on its ability to acquire, design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry and its customers' increasingly sophisticated needs. As the Company continues to grow, its customer base becomes a larger target for other companies with similar products to develop targeted marketing strategies to poach customers.

**22. Use of Open Source Software:** The Company's operations depend, in part, on how it makes use of certain open source software products and components. These open-source software products are developed by third parties over whom the Company has no control. The Company has no assurances that the open source components do not infringe on the intellectual property rights of others. The Company could be exposed to infringement claims and liability in connection with the use of these open source software components, and the Company may be forced to replace these components with internally developed software or software obtained from another supplier, which may increase its expenses. The Company has conducted no independent investigation to determine whether the sources of the open source software have the rights necessary to permit the Company to use this software free of claims of infringement by third parties. The developers of open source software may be under no obligation to maintain or update that software, and the Company may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to the Company's services. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications the Company makes to such software may be made available to all downstream users of the software, including its competitors. Open source software licenses may require us to make source code for the derivative works available to the public. In the event that the Company inadvertently uses open source software without the correct license form, or a copyright holder of any open source software were to successfully establish in court that we had not complied with the terms of a license for a particular work, the Company could be required to release the source code of that work.

**23. Directors and Officers May Have Conflicts of Interests:** Certain of the directors and/or officers of the Company may also serve as directors and/or officers of other companies and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company is being made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company.

### ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### FORWARD-LOOKING INFORMATION

Certain statements in this Interim MD&A constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information includes, but are not limited to, the Company's goals, expected costs, objectives, growth strategies, M&A program, improving the patient experience, obtaining operational efficiency, improving overall care performance, the intention to be an active acquirer within the healthcare services and digital health technologies, maximizing income potential from health clinics, the acquisition of additional health clinics and technologies, the ability to obtain cost efficiencies and improvements through synergies, the use of technology in the Company's business activities, opportunities to leverage its investments in third party technology platforms, the benefits of using open source based technology solutions, the share purchase agreements in respect of its acquisitions, expectations of future revenue and adjusted gross margins, as well as information with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects the management's current beliefs and are based on information currently available to management.

Forward-looking information involves risks and uncertainties that could cause actual results to differ materially from those contemplated by such information. Factors that could cause such differences include the highly competitive nature of the Company's industry, material adverse consequences of government regulation and funding, and other such risk factors described herein and in other disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Company's forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking information. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking information. The factors underlying current expectations are dynamic and subject to change.

Although the forward-looking information contained in this Interim MD&A is based upon what management believes is reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. All forward-looking information in this Interim MD&A is qualified by this cautionary information. Other than specifically required by applicable laws, we are under no obligation and we expressly disclaim any such obligation to update or alter the forward-looking information whether as a result of new information, future events or otherwise except as may be required by law. This forward-looking information is made as of the date of this Interim MD&A.

### FUTURE-ORIENTED FINANCIAL INFORMATION

This Interim MD&A contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") including statements regarding future financial performance under the heading "Outlook", projected 2024 annual revenue, Adjusted EBITDA, profitability on an Adjusted Net Income basis and estimated annual revenue run-rate, all of which are subject to the same assumptions, risk factors,

## WELL HEALTH TECHNOLOGIES CORP.

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limitations, and qualifications as set out in this Interim MD&A. The actual financial results of WELL may vary from the amounts set out or projected herein and such variation may be material. WELL and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, WELL undertakes no obligation to update such FOFI. FOFI contained in this Interim MD&A was made as of the date hereof and was provided for the purpose of providing further information about WELL's anticipated future business operations on an annual basis. Readers are cautioned that the FOFI contained in this Interim MD&A should not be used for purposes other than for which it is disclosed herein.