WELL HEALTH TECHNOLOGIES CORP.

ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

BACKGROUND

This Annual Management's Discussion and Analysis ("**Annual MD&A**") for WELL Health Technologies Corp. (TSX: WELL; OTCQX: WHTCF) should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the years ended December 31, 2024 and 2023. 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 annual consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") – see notes 2 and 3 of the Company's December 31, 2024 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. Certain comparative figures for 2024 quarterly periods have been restated. Please refer to "Quarterly Financial Highlights" section in this Annual MD&A for details.**

This Annual 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 Annual MD&A is April 14, 2025, 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.

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 4,100 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 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 41,000 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 December 31, 2024, the Company had a total of 130 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 ("**CRH**"), 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 19 states as at December 31, 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.

On July 1, 2023, CRH acquired CarePlus, enhancing and diversifying its service offerings. CarePlus operates two primary businesses: RADAR Healthcare Providers ("**RADAR**"), which supplies staffing and recruitment services focusing on anesthesia providers; and an Anesthesia services division, providing clinical anesthesia services similar to those of CRH.

On January 1, 2025, CRH acquired Harmony Anesthesia Staffing, a full-service anesthesia staffing company that provides staffing and recruitment services focused on anesthesia providers. This acquisition is highly complementary to RADAR. 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. These 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

	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23
Canadian Patient Services					
Billable Practitioners[1]	1,792	1,769	1,706	1,654	1,623
Non-Billable Practitioners[2]	775	686	684	651	670
Total Practitioners	2,567	2,455	2,390	2,305	2,293
Clinics	210	185	181	175	167
Physical Facilities	130	110	106	97	96
Total Canada Patient Visits[4]	876,000+	779,000+	766,000+	737,000+	705,000+
WELL Health USA Patient and Provider Services					
Billable Practitioners[1,3]	1,425	1,398	1,379	1,313	1,350
Non-Billable Practitioners[2]	157	186	155	156	147
Total Practitioners[3]	1,582	1,584	1,534	1,469	1,497
Clinics	28	28	28	34	34
Physical Facilities	28	28	28	33	33
CRH ASCs / GI clinics served	148	148	148	144	143
Total US Patient Visits	676,000+	682,000+	640,000+	577,000+	544,000+
CRH Ligators Sold	41,000+	43,000+	38,000+	41,000+	39,000+
Billed Provider Hours	94,000+	88,000+	84,000+	86,000+	83,000+

Note:

[1] Billable Practitioners are defined as Allied Health Providers, Medical Technicians, Nurses, or Physicians.

[2] Non-Billable Practitioners are defined as Clinical Support Staff.

[3] Billable and Total Practitioners for WELL Health USA have been adjusted to accurately reflect active providers, as inactive CRNAs who were still listed on our roster have now been removed.

[4] Q3-24 Canadian Patient visits have been revised to reflect a revised methodology that accounts for the timing of delayed billing, ensuring greater consistency in reporting in future periods.

SaaS and Technology Services

The Company's SaaS and Technology Services revenue is derived from its key business units: (i) **WELLSTAR;** (ii) **WELL Cybersecurity**; and (iii) **Other Technology Services.**

WELLSTAR (formerly WELL Provider Solutions) combines the WELL EMR Group, Billing and RCM Solutions, OceanMD and apps.health, into one single practitioner enablement platform. WELLSTAR's comprehensive range of products and solutions are designed to streamline care delivery, integrate fragmented healthcare systems more seamlessly, reduce provider burnout, and improve patient healthcare experiences and outcomes.

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, most recently, Microquest Inc. ("**Microquest**"). WELL has also acquired and operates non-OSCAR based specialty EMR vendors including Aware MD 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**"), the acquisition of ClinicAid billing software applications as part of the CloudMD Cloud Practice transaction, and BlueBird IT Solutions Inc. ("**Bluebird**"). 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 gives 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.

Other Technology Services consists of Adracare Inc., which provides telehealth and specialty EMR solutions that complement WELL's SaaS and EMR offerings.

Key Metrics for SaaS and Technology Services

	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23
SaaS and Technology Services					
Total Practioners in Network[1]	41,000+	38,000+	37,000+	36,000+	34,000+
Billing & RCM Practitioners	13,500+	11,200+	10,500+	10,200+	9,400+
EMR # of Clinics[1]	3,600+	3,200+	3,200+	3,900+	3,900+
Apps on Apps.Health	56	56	55	55	55
OceanMD eReferrals	358,000+	351,000+	352,000+	300,000+	245,000+
Total Technology Interactions[2]	763,000+	675,000+	622,000+	599,000+	547,000+

Note:

[1] 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.

[2] 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 includes companies such as 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**"). This list does not include minority venture investments made by WELL's subsidiaries CRH Medical or HEALWELL AI.

BUSINESS UPDATES

On December 12, 2024, the Company announced the formation of WELLSTAR Technologies Corp. ("**WELLSTAR**"), a high growth, Software-as-a-Service or "SaaS" healthcare technology company. WELLSTAR is a reorganization of WELL's established WELL Provider Solutions Group whose mission is to be the leading provider of healthcare technology solutions in Canada. WELLSTAR has been funded by way of a $50.4 million preferred share investment supported by three of Canada's most prominent fund investors: Mawer Investment Management, Edgepoint Wealth Management, and PenderFund Capital Management Ltd, which was completed on December 11, 2024. Concurrent with the financing, WELLSTAR completed two tuck-in acquisitions (a 51% interest in Bluebird IT Solutions Inc. ("**BlueBird**") and a 100% interest in Microquest Inc. ("**Microquest**")) for a total consideration of approximately $24 million with an effective date December 1, 2024, and announced its intention to spin out WELLSTAR by the end of 2025.

On December 1, 2024, the Company completed the acquisition of Canadian clinical assets from Jack Nathan Medical Corp. ("**Jack Nathan**"), including 13 owned and operated clinics and 59 licensee clinics. The Company has also entered into agreements with Walmart Canada to support the potential expansion of its clinical network within Walmart's footprint of over 400 locations. The acquired clinics will be rebranded as WELL Health Medical Centres and integrated into WELL's technology-enabled healthcare model.

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, 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, 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, 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.

Business Combination, Asset Acquisitions, and Key Investments

On April 1, 2025, the Company and the HEALWELL founders amended the terms of the conditional call option held by the Company to acquire up to 30,800,000 Class A Subordinate Voting Shares of HEALWELL at $0.125 per share and 30,800,000 Class B Multiple Voting shares of HEALWELL at $0.0001 per share such that it became exercisable, and the Company exercised the call option to acquire such shares for total consideration of $3,853. Subsequent to December 31, 2024, in multiple transactions, the Company also exercised

20,312,500 HEALWELL share purchase warrants for total consideration of $4,375 and converted all outstanding HEALWELL convertible debentures and interest accrued thereon. Following these transactions, as at April 1, 2025, the Company held 97,223,161 Class A Subordinate Shares and 30,800,000 Class B Multiple Voting shares of HEALWELL, representing approximately 37% of the economic interest and approximately 69% of the voting rights in HEALWELL on a non-diluted basis. As a result, the Company obtained control of HEALWELL under IFRS, and accordingly, will begin to consolidate the financial results of HEALWELL as a subsidiary of the Company effective April 1, 2025.

On January 21, 2025, the Company subscribed for 500,000 subscription receipts in HEALWELL for an aggregate subscription price of $1,000 which entitled the Company to receive, upon satisfaction of certain release conditions, 500,000 Class A Subordinate Voting shares of HEALWELL and 250,000 share purchase warrants with each warrant exercisable into one Class A Subordinate Voting share at $2.50 per share for a period of 36 months. On April 1, 2025, the release conditions were satisfied and the Company received the shares and share purchase warrants in accordance with the terms of the subscription agreement.

During the period December 1, 2024 to January 1, 2025, the Company completed seven acquisitions across its Canadian Clinics, WELLSTAR, and WELL Health USA business units, adding approximately $100 million in annualized revenue at EBITDA margins in line with the company's reported margins in the first 3 quarters. The seven acquisitions included one of the largest physician recruitment firms in Canada, two Canadian Primary Care Canadian Clinics, one Provider Staffing acquisition in the United States under the CRH banner, two previously announced acquisitions under the WELLSTAR banner and the previously announced acquisition of Jack Nathan Health. All transactions were funded through cash without issuing shares.

On December 1, 2024, the Company completed the acquisition of Canadian clinical assets from Jack Nathan, including 13 owned and operated clinics and 59 licensee clinics as well as Jack Nathan's rights to operate medical clinics in Walmart Canada stores, for purchase consideration of $5,000.

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 $3,123 including cash of $2,049 and deferred consideration of $1,075 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 $24,169, consisting of cash, shares in HEALWELL and deferred payments.

Circle Medical Request for Information from United States Attorney's Office

In September 2024, Circle Medical received a request for the voluntary production of documents and information ("**RFI**") from the Civil Division of the United States Attorney's Office for the Northern District of California ("**USAO**") investigating certain of Circle Medical's billing practices in the US. Circle Medical has been responding to the RFI and engaging with the USAO to address and resolve this matter. The Company cannot predict the outcome of the RFI, nor the length of time it may take to resolve the RFI, or other related actions that might ensue. The Company recognized an expense of $4,072 (US$2,830) for the year ended December 31, 2024 for estimated settlement costs. The Company does not expect the resolution of the matter to have a material effect on the Company's cash position or available resources. Refer also to section "Financial Performance – Financial Presentation Impact due to Circle Medical Revenue Deferral and Change Healthcare Cyberattack" for additional information.

Change Healthcare Cyberattack

In 2024, the Company's wholly owned subsidiary, CRH, relied on third-party Change Healthcare ("**Change HC**") as its primary revenue cycle management service provider. On February 21, 2024, Change HC experienced a cyberattack on its information technology systems resulting in a complete system shutdown for an extended period of time. As a result, CRH experienced significant delays in billing for anesthesia services and related collection activities, which impacted both revenue recognition and cash flows. On March 1, 2024, Change HC, though an affiliate company, launched a temporary funding assistance program to help bridge the gap in short-term cash flow needs for providers impacted by the disruption of Change HC's services. Under the program, Change HC provided funding relief of $165,441 (US$114,977) to CRH for amounts that would otherwise have been received had the cyberattack and outage not occurred. It is expected that the advance funding will be repaid as cash collections from payors and patients are received and to be mutually agreed to by Change HC and CRH. Change HC subsequently restored claims submission functionality and as of August 2024, CRH resumed claims submissions and billing and collection processes through Change HC's information technology systems. On July 31, 2024, CRH gave notice of termination of the Master Relationship Agreement and Solution Order to Change HC which was terminated effective October 31, 2024, and it began a process of transitioning to new revenue cycle management service providers. Refer to sections "Financial Performance – Financial Presentation Impact due to Circle Medical Revenue Deferral and Change Healthcare Cyberattack", "Results by Segment" and "Liquidity and Capital Resources" for additional information.

OUTLOOK

WELL intends to continue its focus on maintaining strong performance, while strategically enhancing operations in the pursuit of organic growth and profitability.

Following WELL's acquisition of a 69% voting interest (39% economic interest) in HEALWELL AI which owns and operates Orion Health, a global data interoperability company operating in 11 countries, WELL now has a multi-national footprint. WELL plans, however, to place significant emphasis on its growth plans to advance its Canadian businesses (both its patient services and technology services capabilities) through both organic and strategic growth, prioritizing capital efficiency and optimization of financial performance.

WELL is expecting strong operational performance to continue into 2025 with a greater focus on leveraging product and corporate synergies, with an emphasis on leveraging the depth of product and technology offerings from WELLSTAR and HEALWELL AI. The Company also continues to focus the substantial majority of its M&A and capital allocation activity in Canada where it is experiencing its strongest returns. Management will continue to pursue its focus on optimizing its operations for organic growth and profitability.

In the last 30 days, WELL has implemented a cost optimization program to enhance operational efficiency and profitability in its continued focus on operational efficiency and excellence. The Company also continues to make substantial strides in leveraging the power of Artificial Intelligence in streamlining and improving its own operations.

As a result, management is pleased to provide the following guidance:

- Annual revenue for 2025 is projected to be in the range of $1.4 billion to $1.45 billion.
- Adjusted EBITDA(1) for 2025 is projected to be in the range of $190 million to $210 million.

WELL's 2025 guidance assumes, among other things, the following:

- 100% consolidation of HEALWELL AI results from April 1, 2025 as per IFRS control requirements;
- substantially all of the $56.6 million in deferred Circle Medical revenue is expected to be recognized in 2025 and will result in close to 100% contribution to Adjusted EBITDA(1); and
- the $24.5 million in CRH delayed earnings are not included in 2025 guidance until these amounts are collected and/or settled with Change HC, at which time our guidance would be enhanced.

WELL's 2024 guidance compared to 2024 actual results were as follows:

- 2024 revenue was projected to be in the range of $985-995 million compared to reported revenue for 2024 of $919 million; and
- 2024 Adjusted EBITDA(1) was projected to be in the range of $125-130 million compared to reported Adjusted EBITDA for 2024 of $46 million.

The shortfall in 2024 revenue and Adjusted EBITDA compared to projected revenue and Adjusted EBITDA was due principally to the impact relating to the Circle Medical revenue deferral and Change HC cyberattack. As a result, our 2025 guidance which results in a shift of Circle Medical revenue from 2024 to 2025 (with the corresponding Circle Medical expenses being recorded in 2024), is higher than previously anticipated. For further details, see "Financial Performance Impact from Circle Medical Revenue Deferral and Change Healthcare Cyberattack" below.

WELL's 2025 guidance supersedes all prior financial outlook statements made by WELL, constitutes forward-looking information within the meaning of applicable securities laws, and is based on a number of assumptions and subject to a number of risks. Actual results could vary materially as a result of numerous factors, including certain risk factors, many of which are beyond WELL's control. Please see "Forward-looking Information" below for more information.

OVERALL PERFORMANCE

WELL achieved annual revenue of $919.7 million in 2024, an increase of 19% compared to the prior year. Net income was $29.1 million or $0.13 per share* in 2024, an increase of 75% as compared to Net Income of $16.6 million or $0.00 per share in 2023 (*net income per share is calculated using Net Income attributable to WELL, which excludes Net Income attributable to Non-Controlling Interests).

WELL delivered 5.7 million patient visits in 2024, a 32% YoY increase from the prior year with strong organic growth in patient visits on both sides of the border. These results are demonstrative of our unique platform and continued progress in tech enabling and supporting healthcare providers who are delivering truly outstanding care to millions of patients across North America.

As of April 1, 2025, WELL holds an approximate 37% economic interest and an approximate 69% voting interest in HEALWELL on a non-diluted basis and will begin consolidating HEALWELL in its financial results starting in Q2-2025. WELL is now a multi-national corporation with a geographic footprint in 11 countries following the exercise of its call option to acquire a 69% voting interest in HEALWELL concurrent with its acquisition of Orion Health, a global leader in healthcare data interoperability. With HEALWELL and Orion now in the family, WELL has tremendous depth in delivering the best in provider-focused technologies, as well as delivering at scale for large enterprises and public sector clients in a variety of countries including the UK, Saudi Arabia, the UAE, the United States, France, Spain, Australia and New Zealand.

Financial Impact due to Circle Medical Revenue Deferral and Change Healthcare Cyberattack

The presentation of the Company's consolidated financial results for the quarter and year ended December 31, 2024 was adversely impacted by a revenue deferral at Circle Medical and revenue impact at CRH Medical resulting from impaired revenue cycle management services after the Change HC cyberattack.

During the year ended December 31, 2024, the Company's non-wholly owned subsidiary, Circle Medical, performed certain patient services and collected cash of $53,949 (US$37,493) from its customers. The Company determined it is unable to recognize this revenue in 2024 as not all required recognition criteria had been met under IFRS 15 "Revenue from Contracts with Customers". Instead, Circle Medical has recorded the cash collected of $53,949 (US$37,493) as deferred revenue as at December 31, 2024. The Company also expects to recognize an additional estimated $3,467 (US$2,409) of revenue for patient services rendered in 2024 where cash had not yet been collected as of December 31, 2024. While the Company expects to recognize these amounts within a year, there is some risk that the criteria for recognizing the deferred revenue of $53,949 (US$37,493) and additional revenue of $3,467 (US$2,409) are not satisfied as expected in 2025.

A portion of the Circle Medical patient services revenue noted above was previously recognized during the quarters ended March 31, 2024, June 30, 2024 and September 30, 2024. The Company has retrospectively restated certain financial information reported in its condensed consolidated interim financial statements for each of the quarters ended March 31, 2024, June 30, 2024 and September 30, 2024 to reflect that not all required recognition criteria had been satisfied as at such dates. Refer to the Quarterly Financial Highlights section for further information.

During the quarter ended December 31, 2024, CRH Medical was required to update key assumptions in its revenue recognition model to capture (1) increased collection risk for services provided in both 2023 and 2024, (2) higher claim denials from payors due to missed timely filing deadlines by Change HC due to the cyberattack and (3) the impact of a formal agreement being reached with Change HC on treatment of the advance payments received. As a result, CRH Medical determined it is unable to recognize an estimated $24,535 of revenue in the fourth quarter of 2024. CRH is attempting to collect these amounts from patients and third party payors as well as negotiating compensation from Change HC. No amounts have been recognized given the uncertainty around collection and the terms of any settlement agreement with Change HC. Since the timing and terms of a formal agreement with Change HC are uncertain, the amount may only be recognized if and when collections related to the services provided by CRH occurs and/or as other income if and when an agreement has been reached with Change HC, and amounts are virtually certain of being collected under IFRS.

Selected Annual Information

The following financial and other information has been summarized from the Company's audited annual consolidated financial statements and supplementary information prepared by management.

Results of Operations:	**Year ended December 31,**		
	2024	2023	2022
	$'000	$'000	$'000
Total revenue	**919,688**	776,054	569,136
Net income	**29,096**	16,637	18,675
Net income attributable to WELL shareholders	**32,609**	82	1,369
Earnings per share attributable to WELL shareholders - basic (in $)	**0.13**	0.00	0.00
Earnings per share attributable to WELL shareholders - diluted (in $)	**0.13**	0.00	0.00

Financial Position:	**As at December 31,**		
	2024	2023	2022
	$'000	$'000	$'000
Cash and cash equivalents	**131,669**	43,423	48,908
Total assets	**1,807,273**	1,409,302	1,319,031
Total non-current financial liabilities	**495,476**	447,197	367,277
Distributions or cash dividends declared	**-**	-	-

Year ended December 31, 2024

During the year ended December 31, 2024, the Company generated revenue of $919,688 as compared to revenue of $776,054 for the year ended December 31, 2023. This increase in revenue is attributable to organic growth and the Company's acquisitions, most notably from the acquisition of 36 medical clinics in 2024 and having a full year of revenue from medical clinics acquired in 2023 and from CarePlus, which was acquired by CRH on July 1, 2023.

The Company completed 12 business acquisitions and 1 asset acquisition in 2024. In total, the Company paid $37,197 in cash (net of cash acquired) related to these acquisitions. Please refer to note 24 of the audited annual consolidated financial statements for the year ended December 31, 2024 for additional information. Goodwill and intangible assets that arose from these acquisitions totaled $60,533. The Company paid $7,542 in cash for deferred acquisition costs during the year.

The Company disposed of Intrahealth and other assets and recognized a gain of $11,750, before tax, during the year ended December 31, 2024. Net cash proceeds received on the disposal of the subsidiary were $2,390.

Net income for the year ended December 31, 2024 was $29,096 compared to a net income of $16,637 for the year ended December 31, 2023.

Year ended December 31, 2023

During the year ended December 31, 2023, the Company generated revenue of $776,054 as compared to revenue of $569,136 for the year ended December 31, 2022. This increase in revenue is attributable to organic growth and the Company's acquisitions, most notably from CarePlus and several medical clinics which were acquired part way through 2023.

The Company completed 8 business acquisitions and 2 asset acquisitions in 2023. In total, the Company paid $66,896 in cash (net of cash acquired) related to these acquisitions. Please refer to note 24 of audited annual consolidated financial statements for the year ended December 31, 2023 for additional information. Goodwill and intangible assets that arose from these acquisitions totaled $76,835. The Company paid $9,560 in cash for deferred acquisition costs during the year.

The Company disposed of Western Ohio Sedation Associates, LLC and recognized a gain of $1,717 during the year ended December 31, 2023. Cash proceeds received on this sale were $11,059.

Net income for the year ended December 31, 2023 was $16,637 compared to a net income of $18,675 for the year ended December 31, 2022.

Consolidated Financial Results

The following table provides selected annual and quarterly financial information for the years ended December 31, 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.**

	Year ended		Quarter ended		
	December 31, 2024	December 31, 2023	**December 31, 2024**	September 30, 2024 **Restated**	December 31, 2023
	$'000	**$'000**	**$'000**	$'000	$'000
Revenue	**919,688**	776,054	**234,758**	234,135	231,246
Cost of sales (excluding depreciation and amortization)	**(556,677)**	(403,787)	**(152,082)**	(139,487)	(130,207)
Adjusted Gross Profit(1)(2)	**363,011**	372,267	**82,676**	94,648	101,039
Adjusted Gross Margin(1)(2)	**39.5%**	48.0%	**35.2%**	40.4%	43.7%
Adjusted EBITDA(2)	**46,665**	113,394	**(3,749)**	15,134	30,750
Net income (loss)	**29,096**	**16,637**	**(1,835)**	**(88,426)**	**33,762**
Adjusted Net Income (2)	**8,007**	52,780	**(17,354)**	4,074	11,244
Earnings (loss) per share, basic (in $)	**0.13**	**0.00**	**0.03**	**(0.36)**	**0.12**
Earnings (loss) per share, diluted (in $)	**0.13**	**0.00**	**0.03**	**(0.36)**	**0.12**
Adjusted Net Income (Loss) per share, basic (in $) (1)(2)	**0.03**	0.22	**(0.07)**	0.02	0.05
Adjusted Net Income per share, diluted (in $) (1)(2)	**0.03**	0.22	**(0.07)**	0.02	0.05
Reconciliation of net income (loss) to Adjusted EBITDA(1):					
Net income (loss) for the period	**29,096**	16,637	**(1,835)**	(88,426)	33,762
Depreciation and amortization	**72,306**	60,768	**20,963**	17,476	16,756
Income tax (recovery) expense	**(20,104)**	2,860	**(7,429)**	(3,843)	804
Interest income	**(1,272)**	(763)	**(500)**	(255)	(334)
Interest expense	**37,616**	33,603	**9,283**	9,103	9,035
Rent expense on finance leases	**(16,512)**	(11,283)	**(3,594)**	(4,675)	(3,540)
Stock-based compensation	**15,270**	26,162	**2,887**	2,141	6,386
Foreign exchange (gain) loss	**(570)**	(636)	**(528)**	62	252
Time-based earnout expense	**7,458**	21,412	**3,502**	1,829	7,493
Change in fair value of investments	**(101,484)**	(42,560)	**(48,292)**	77,092	(42,560)
Gain on disposal of assets and investments	**(11,817)**	(1,570)	**(500)**	(33)	(46)
Share of net loss of associates	**4,341**	378	**1,622**	1,832	88
Transaction, restructuring and integration costs expensed	**10,247**	4,407	**1,924**	2,232	1,265
Legal settlements and defense costs	**21,337**	2,181	**18,748**	599	1,389
Other items	**753**	1,798	**-**	-	-
Adjusted EBITDA(1)(2)	**46,665**	113,394	**(3,749)**	15,134	30,750
Attributable to WELL shareholders	**39,786**	88,208	**(479)**	12,711	22,377
Attributable to Non-controlling interests	**6,879**	25,186	**(3,270)**	2,423	8,373
Adjusted EBITDA(1)(2)					
WELL Corporate	**(20,858)**	(19,604)	**(5,403)**	(5,368)	(5,690)
Canada and others	**56,313**	45,960	**14,771**	14,036	11,103
US operations	**11,210**	87,038	**(13,117)**	6,466	25,337
Adjusted EBITDA(1)(2) attributable to WELL shareholders					
WELL Corporate	**(20,858)**	(19,604)	**(5,403)**	(5,368)	(5,690)
Canada and others	**54,844**	45,189	**14,209**	13,743	10,836
US operations	**5,800**	62,623	**(9,285)**	4,336	17,231
Adjusted EBITDA(1)(2) attributable to Non-controlling interests					
Canada and others	**1,469**	771	**562**	293	267
US operations	**5,410**	24,415	**(3,832)**	2,130	8,106
Reconciliation of net income (loss) to Adjusted Net Income(1):					
Net income (loss) for the period	**29,096**	16,637	**(1,835)**	(88,426)	33,762
Amortization of acquired intangible assets	**49,060**	45,508	**14,885**	11,294	12,024
Time-based earnout expense	**7,458**	21,412	**3,502**	1,829	7,493
Stock-based compensation	**15,270**	26,162	**2,887**	2,141	6,386
Change in fair value of investments	**(101,484)**	(42,560)	**(48,292)**	77,092	(42,560)
Share of net loss of associates	**4,341**	378	**1,622**	1,832	88
Other items	**753**	1,798	**-**	-	-
Non-controlling interest included in net income (loss)	**3,513**	(16,555)	**9,877**	(1,688)	(5,949)
Adjusted Net Income (1)(2)	**8,007**	52,780	**(17,354)**	4,074	11,244
Adjusted Net Income per share (1)(2)	**0.03**	0.22	**(0.07)**	0.02	0.05

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, legal settlements and defense 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, gains/losses that are not reflective of ongoing operating performance and non-controlling interests. The Company revised its definition of Adjusted Net Income for the year ended December 31, 2024 to exclude share of loss of associates and gains/losses that are not reflective of ongoing operating performance. Comparative figures have been adjusted to conform to the current period definition. **Adjusted Net Income Per Share** is Adjusted Net Income divided by the 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 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) are not recognized measures for financial statement 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.

2. Certain of the Company's non-GAAP financial measures including Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Net Income and Adjusted Net Income per share (basic and diluted) were materially impacted by the revenue deferral at Circle Medical and the revenue impact at CRH Medical resulting from impaired revenue cycle management services after the Change HC cyberattack. Refer to section "Overall Performance" for additional information.

RESULTS OF OPERATIONS

Revenue

The following table shows a breakdown of revenue for the years ended December 31, 2024 and 2023:

	Years ended	
	December 31, 2024	December 31, 2023
	$'000	$'000
Patient Services	**851,379**	707,300
SaaS and Technology Services	**68,309**	68,754
Total Revenue	**919,688**	776,054

For the year ended December 31, 2024, the Company generated revenue of $919,688, an increase of 19% compared to revenue of $776,054 for the year ended December 31, 2023. The increase in revenue is primarily attributable to the Company's organic growth and acquisitions, including having a full year of CarePlus revenue in 2024. Revenue recognized for the year ended December 31, 2024 was also impacted negatively by the Circle Medical revenue deferral and the revenue impact at CRH Medical resulting from the Change HC cyberattack.

Patient Services revenue, which comprises Canadian Patient Services and WELL Health USA Patient Services business units, accounted for 93% of total revenue for the year ended December 31, 2024, compared to 91% of total revenue for the year ended December 31, 2023. Patient Services revenue increased 20% to $851,379 during the year ended December 31, 2024, compared to $707,300 for the year ended December 31, 2023, primarily due to the Company's acquisition or absorption of several Canadian medical clinics in 2023 and 2024, a full year of revenue from CarePlus, and from organic growth, particularly from Circle Medical and Wisp.

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. SaaS and Technology Services revenue accounted for 7% of total revenue for the year ended December 31, 2024, as compared to 9% for the year ended December 31, 2023. SaaS and Technology Services revenue decreased 1% to $68,309, during the year ended December 31, 2024, compared to $68,754 during the year ended December 31, 2023 primarily due to the sale of Intrahealth on February 1, 2024, as strong organic growth was offset by lower platform revenue after the sale of Intrahealth.

Adjusted Gross Profit(1) and Adjusted Gross Margin(1)

The following table summarizes Adjusted Gross Profit(1) and Adjusted Gross Margin(1) for the years ended December 31, 2024 and 2023:

	Years ended	
	December 31, 2024	December 31, 2023
	$'000	$'000
Revenue	**919,688**	776,054
Cost of sales (excluding depreciation and amortization)	**(556,677)**	(403,787)
Adjusted Gross Profit(1)	**363,011**	372,267
Adjusted Gross Margin(1)	**39.5%**	48.0%

Note:

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

Adjusted Gross Profit(1) decreased 2% to $363,011 for the year ended December 31, 2024, compared to $372,267 for the year ended December 31, 2023. The decrease in Adjusted Gross Profit(1) is primarily due to the Circle Medical revenue deferral and the revenue impact at CRH Medical resulting from the Change HC cyberattack offset by higher revenue for the year ended December 31, 2024 from organic growth within the Company's WELL HEALTH USA Patient and Providers services group and from clinic acquisitions in the Primary Care segment.

Adjusted Gross Margin(1) percentage decreased to 39.5% for the year ended December 31, 2024 compared to 48.0% for the year ended December 31, 2023. The decrease in Adjusted Gross Margin(1) percentage was primarily driven by revenue mix and the addition of Provider Staffing revenue from the acquisition of CarePlus in July 2023, which has lower margins compared to other Patient Services and SaaS and Technology Services revenue. Adjusted Gross Margin(1) for the year ended December 31, 2024 was also impacted negatively by the revenue deferral at Circle Medical and the revenue impact at CRH Medical resulting from the Change HC cyberattack.

General and Administrative ("G&A") Expenses

The following is a breakdown of the Company's G&A expenses for the years ended December 31, 2024 and 2023:

	Years ended	
	December 31, 2024	December 31, 2023
	$'000	$'000
Salaries and benefits	**148,842**	128,222
Professional and consulting fees	**22,072**	21,863
Office expenses	**28,495**	20,330
Marketing and promotion	**84,598**	64,289
Other	**22,193**	16,112
	306,200	250,816

G&A expenses increased to $306,200 for the year ended December 31, 2024, compared to $250,816 for the year ended December 31, 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 office expenses to support the Company's growth and M&A activities. The Company has established shared services cost centers for multiple functions at its headquarters to support its business unit operations and the increase in headcount relates to the growing volume and scope of shared service activities.

For the year ended December 31, 2024, the Company incurred $10,247 for M&A related transaction and integration costs and restructuring costs, compared to $4,407 for the year ended December 31, 2023. The transaction, integration and restructuring costs are included in G&A expenses as professional and consulting fees, and salaries and benefits expenses.

Marketing and promotion expenses increased to $84,598 for the year ended December 31, 2024, compared to $64,289 for the year ended December 31, 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 year ended December 31, 2024, the Company recognized $15,270 for stock-based compensation expense, compared to $26,162 for the year ended December 31, 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 21 to the December 31, 2024 audited annual consolidated financial statements for further information.

Depreciation and Amortization

For the year ended December 31, 2024, the Company recognized $72,306 of depreciation and amortization expense mainly related to right-of-use assets (under IFRS 16, Leases) and intangible assets acquired via business combinations and asset acquisitions, as compared to $60,768 of depreciation and amortization expense for the year ended December 31, 2023.

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.

Interest Expense and Interest Income

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Interest on loans and borrowings	**21,901**	19,954
Interest on convertible debentures	**9,523**	8,592
Interest on redeemable preferred shares	**409**	-
Interest accretion on leases and deferred acquisition cost	**4,407**	4,081
Amorization of deferred financing fees	**1,376**	976
Interest expense	**37,616**	33,603
Interest income	**(1,272)**	(763)

For the year ended December 31, 2024, the Company recognized interest expense of $37,616, as compared to $33,603 for the year ended December 31, 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 year ended December 31, 2024 was primarily due to higher long-term debt balances outstanding. Interest accretion increased primarily due to the increase in lease liabilities from acquisitions. Cash interest payments for the year ended December 31, 2024 were $26,495, compared to $23,051 for the year ended December 31, 2023. Interest income was mainly related to interest earned on cash and cash equivalents and convertible debenture investments.

Time-Based Earnout Expense

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Time-based earnout expense	**4,248**	7,513
Loss on settlement of deferred acquisition cost and time-based earnout liabilities via shares	**181**	1,430
Loss on revaluation of deferred acquisition cost liabilities	**3,029**	12,469
	7,458	21,412

For the year ended December 31, 2024, the Company recognized total time-based earnout expense of $7,458, compared to $21,412 for the year ended December 31, 2023. For the year ended December 31, 2024, the expense was comprised of $4,248 in relation to earnouts that are recognized over time during post-acquisition requisite service periods (2023 - $7,513), a loss of $181 on settlement of deferred acquisition costs and time-based earnout liabilities via shares (2023 - $1,430), and a loss of $3,029 on the revaluation of deferred acquisition cost liabilities (2023 - $12,469).

Change in Fair Value of Investments

For the year ended December 31, 2024 and 2023, the Company recognized non-cash fair value gains on its financial instrument investments in HEALWELL (convertible debentures, warrants and call option) of

$101,484 and $39,920, respectively, primarily driven by an increase in HEALWELL's share price over the same period. For the year ended December 31, 2023, the Company also recognized a non-cash fair value gain of $2,640 on other venture investments.

Other Expenses

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Legal settlement costs	**20,436**	-
Transition services income	**(1,377)**	-
Other expenses	**6,912**	5,160
	25,971	5,160

For the year ended December 31, 2024, legal settlement costs include provisions or payments made for legal settlements relating to legal claims or investigations at WISP ($6,017), Circle Medical ($4,072) and CRH ($7,914) and other costs ($2,433). Legal defense costs associated with legal settlements were $901.

Since November 2023, the Company's subsidiary 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 has settled one class action and the mass arbitration matters. Subsequent to December 31, 2024, the other class action has been settled pending final court approval. For the year ended December 31, 2024, the Company recognized an expense of $6,017 in other expenses for estimated settlement costs and $290 in general and administrative expenses for legal fees (2023 - $nil). In April 2025, the Company reached an agreement to settle an insurance claim in relation to this matter and expects to recognize an insurance recovery of $2,090 in the three months ending June 30, 2025.

In September 2024, the Company's 70%-owned Delaware subsidiary, Circle Medical, received a RFI from the USAO investigating certain of Circle Medical's billing practices in the US. Circle Medical has been responding to the RFI and engaging with the USAO to address and resolve this matter. The Company cannot predict the outcome of the RFI, nor the length of time it may take to resolve the RFI, or other related actions that might ensue. For the year ended December 31, 2024, the Company recognized an expense of $4,072 in other expenses for estimated settlement costs and $511 in general and administrative expenses for legal fees (2023 - $nil).

In 2024, the Company's subsidiary CRH received notice of a product liability claim related to its O'Regan hemorrhoid banding device. Settlement of the claim occurred subsequent to December 31, 2024. For the year ended December 31, 2024, the Company recognized an expense of $7,914 in other expenses for settlement costs and $100 in general and administrative expenses for legal fees (2023 - $nil). In April 2025, the Company reached an agreement to settle an insurance claim in relation to this matter and expects to recognize an insurance recovery of $4,474 in the three months ended June 30, 2025.

Income Tax Expense (Recovery)

	December 31, 2024 $'000	December 31, 2023 $'000
Current tax expense	**9,230**	12,685
Deferred tax recovery	**(29,334)**	(9,825)
Total income tax (recovery) expense	**(20,104)**	2,860

For the year ended December 31, 2024, the Company's total income tax recovery was $20,104, comprised of current tax expense of $9,230 net of a deferred tax recovery of $29,334. This is compared to a total income tax expense of $2,860 for the year ended December 31, 2023, comprised of current tax expense of $12,685 net of a deferred tax recovery of $9,825. The decrease in current income tax expense in 2024 related to the Company's change in mix of income or losses in different legal entities and tax jurisdictions. 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 2023 relates primarily to deferred tax recoveries on amortization of acquired intangible assets whereas the deferred tax recovery in 2024 relates primarily to both deferred tax recoveries on amortization of acquired intangible assets as well as operating losses resulting from the one-time revenue deferral at Circle Medical as discussed in the Results by Segment section below. Cash tax payments, net of refunds, were $5,116 for the year ended December 31, 2024 compared to $14,869 for the year ended December 31, 2023.

Net Income

Net income for the year ended December 31, 2024 was $29,096, compared to net income of $16,637 for the year ended December 31, 2023. The higher net income for the year ended December 31, 2024 was primarily driven by the fair value gains on the Company's investments in HEALWELL.

RESULTS BY SEGMENT

The Company is organized into operating segments based on its product and service offerings. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's reportable segments are shown below and are grouped into three key business units: Canadian Patient Services, WELL Health USA Patient Services and SaaS and Technology Services.

Canadian Patient Services

	Year ended December 31, 2024			Year ended December 31, 2023		
	Primary Care	WDC	**Total**	Primary Care	WDC	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Total Segment Revenue	191,885	127,557	**319,442**	119,214	111,315	**230,529**
Inter-segment revenue	(307)	-	**(307)**	(148)	-	**(148)**
Revenue from external customers	191,578	127,557	**319,135**	119,066	111,315	**230,381**
Adjusted Gross profit (1)	58,844	79,124	**137,968**	39,896	71,540	**111,436**
Adjusted Gross margin (1)	30.7%	62.0%	43.2%	33.5%	64.3%	48.3%
Adjusted EBITDA	11,592	29,107	**40,699**	7,115	25,970	**33,085**

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

For the year ended December 31, 2024, the Company's Primary Care segment generated total revenue of $191,885, an increase of 61.0% compared to $119,214 for the year ended December 31, 2023. The increase was primarily due to acquisitions including the Ontario and Alberta based medical clinics from HEALWELL, Manitoba clinic, 10 clinics from Shoppers Drug Mart and numerous other clinics. The Company also continued to achieve strong organic growth from efficient execution of its clinic transformation and clinic absorption programs. Adjusted gross margin in the Company's Primary Care segment for the year ended December 31, 2024 decreased to 30.7% from 33.5% for the same twelve months in the prior year mainly due to lower average revenue splits with physicians and revenue mix as gross margins can vary between primary care, preventative, and allied care clinics. Adjusted EBITDA increased to $11,592 (or 6.0% of total segment revenue) for the year ended December 31, 2024 from $7,115 (or 6.0% of total segment revenue) for the year ended December 31, 2023.

For the year ended December 31, 2024, the Company's WDC segment generated total revenue of $127,557, an increase of 14.6% compared to $111,315 for the year ended December 31, 2023. The increase was driven by continued strong organic growth across the diagnostic clinic network, combined with the contribution from the C-health acquisition which closed on October 1, 2024. Adjusted gross margin for the year ended December 31, 2024 decreased to 62.0% from 64.3% for the same period in the prior year. Adjusted EBITDA was $29,107 (or 22.8% of total segment revenue) for the year ended December 31, 2024 compared to $25,970 (or 23.3% of total segment revenue) for the year ended December 31, 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 prior comparative period.

In total, the Canadian Patient Services business unit generated Shareholder EBITDA(1) of $39,874, for the year ended December 31, 2024, compared to $32,812, for the same period in the prior year.

WELL Health USA Patient and Provider Services

	Year ended December 31, 2024					Year ended December 31, 2023				
	Circle Medical	WISP	CRH Medical	Provider Staffing	**Total**	Circle Medical	WISP	CRH Medical	Provider Staffing	**Total**
	$'000	$'000	$'000	$'000	**$'000**	$'000	$'000	$'000	$'000	**$'000**
Total Segment Revenue	76,304	100,967	234,722	123,133	**535,126**	96,621	77,875	249,420	55,418	**479,334**
Inter-segment revenue	-	-	(210)	(2,672)	**(2,882)**	-	-	(149)	(2,266)	**(2,415)**
Revenue from external customers	76,304	100,967	234,512	120,461	**532,244**	96,621	77,875	249,271	53,152	**476,919**
Adjusted Gross profit (1)	15,866	73,749	79,912	11,964	**181,491**	52,261	53,744	106,086	5,185	**217,276**
Adjusted Gross margin (1)	20.8%	73.0%	34.0%	9.7%	**33.9%**	54.1%	69.0%	42.5%	9.4%	**45.3%**
Adjusted EBITDA	(51,419)	5,040	48,548	9,041	**11,210**	3,037	1,503	78,819	3,679	**87,038**

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

Circle Medical

For the year ended December 31, 2024, the Company's Circle Medical segment generated total revenue of $76,304 compared to $96,621 for the year ended December 31, 2023. The decrease related primarily to the Circle Medical revenue deferral required under IFRS 15. See "Overall Performance – Financial Presentation Impact due to Circle Medical Revenue Deferred and Change Healthcare Cyberattack" for more details.

As a result of the Circle Medical revenue deferral, adjusted gross margin and adjusted EBITDA for the year ended December 31, 2024 cannot be compared meaningfully to the same metrics in the prior year. Adjusted gross margin for the year ended December 31, 2024 decreased to 20.8% from 54.1% for the same period in the prior year; and adjusted EBITDA decreased to a loss of $51,419 (or -67.4% of total segment revenue) for the year ended December 31, 2024 compared to $3,037 (or 3.1% of total segment revenue) for the year ended December 31, 2023. In addition to the impact from the revenue deferral, Circle Medical also had higher capitalization of certain software development costs in 2024. 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 negatively impacted margins temporarily.

Wisp

For the year ended December 31, 2024, the Company's Wisp segment generated total revenue of $100,967 compared to $77,875 in the prior year, representing organic growth of 29.7%. Adjusted gross margin for the year ended December 31, 2024 increased to 73.0% from 69.0% in the prior year due to more favorable pricing with pharmacy partners. Additionally, the comparative period was negatively impacted by incremental costs in relation to a significant outage at one of the company's main pharmacy partners in 2023. Adjusted EBITDA increased to $5,040 (or 5.0% of total segment revenue) for the year ended December 31, 2024 compared to $1,503 (or 1.9% of total segment revenue) for the year ended December 31, 2023 primarily due to the higher revenue and adjusted gross margin percentage, as well as effective cost management in 2024.

CRH Medical

For the year ended December 31, 2024, the Company's CRH Medical segment generated total revenue of $234,722, a decrease of 5.9% compared to $249,420 for the year ended December 31, 2023. The decrease related primarily to the revenue impact resulting from the Change HC cyberattack. See "Overall Performance – Financial Presentation Impact due to Circle Medical Revenue Deferred and Change Healthcare Cyberattack" for more details.

Other than the revenue recognition impacts from the Change HC cyberattack, total revenue increased year over year due to organic growth, favourable foreign exchange translation, and the acquisition of North Denver Anesthesia Associates in November 2024, offset by less one-time revenue. Adjusted gross margin and adjusted EBITDA for the year ended December 31, 2024 cannot be compared meaningfully to the same metrics in the prior year due the revenue recognition impacts from the CHC cyberattack. Adjusted gross margin for the year ended December 31, 2024 decreased to 34.0% from 42.5% for the prior year. The decrease was also partly due to changes in payor mix, an increase in provider costs and less one-time revenue than the comparable period which carried higher margins. Adjusted EBITDA was $48,548 (or 20.7% of total segment revenue) for the year ended December 31, 2024 compared to $78,819 (or 31.6% of total segment revenue) for the year ended December 31, 2023. The adjusted EBITDA percentage decreased mainly due to the lower adjusted gross margin percentage.

Provider Staffing ("Radar")

The Company acquired its Radar segment as part of the acquisition of CarePlus on July 1, 2023. For the year ended December 31, 2024, the Company's Radar segment generated total revenue of $123,133, compared to $55,418 for the six months since acquisition during the year ended December 31, 2023. Adjusted gross margin for the year ended December 31, 2024 increased to 9.7% from 9.4% for the same period in the prior year. Adjusted EBITDA increased to $9,041 (or 7.3% of total segment revenue) for the year ended December 31, 2024 compared to $3,679 (or 6.6% of total segment revenue) for the year ended December 31, 2023 mainly due to the full year impact since acquisition, and higher adjusted gross profit. 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(1) of $5,800, for the year ended December 31, 2024, compared to $62,623, for the same period in the prior year. The decrease was driven by the Circle Medical revenue deferral and the revenue impact relating to the Change HC cyberattack and other margin impacts for Circle Medical and CRH Medical described above, offset by the higher margins generated in Wisp, and Radar.

SaaS and Technology Services

	Year ended December 31, 2024				Year ended December 31, 2023			
	WELLSTAR	Cybersecurity	Other	**Total**	WELLSTAR	Cybersecurity	Other	**Total**
	$'000	$'000	$'000	**$'000**	$'000	$'000	$'000	**$'000**
Total Segment Revenue	44,810	26,265	1,796	**72,871**	36,761	24,487	11,934	**73,182**
Inter-segment revenue	(1,886)	(2,665)	(11)	**(4,562)**	(1,494)	(2,840)	(94)	**(4,428)**
Revenue from external customers	42,924	23,600	1,785	**68,309**	35,267	21,647	11,840	**68,754**
Adjusted Gross profit (1)	36,729	7,728	1,356	**45,813**	31,345	5,289	9,798	**46,432**
Adjusted Gross margin (1)	82.0%	29.4%	75.5%	**62.9%**	85.3%	21.6%	82.1%	**63.4%**
Adjusted EBITDA	12,955	2,892	(233)	**15,614**	11,081	1,231	563	**12,875**

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

WELLSTAR

For the year ended December 31, 2024, WELLSTAR generated total revenue of $44,810, an increase of 21.9% compared to $36,760, for the year ended December 31, 2023. The increase was mainly due to strong organic growth from the Company's OceanMD, OSCAR and DoctorCare business units, combined with the contribution from the acquisitions of Microquest and BlueBird which closed in December 2024. Adjusted gross margin for the segment for the year ending December 31, 2024 was 82.0% compared to 85.3% for the year ending December 31, 2023 reflecting a change in revenue mix. Adjusted EBITDA was $12,955 (or 28.9% of total segment revenue) for the year ending December 31, 2024 compared to $11,081 (or 30.1% of total segment revenue) for the year ended December 31, 2023. Adjusted EBITDA as a percentage of revenue decreased slightly due to the reduction in adjusted gross margin, offset by effective cost management and higher capitalization of software development expenditures during the year ended December 31, 2024.

Cybersecurity

For the year ended December 31, 2024, the cybersecurity segment generated total revenue of $26,265, an increase of 7.3% compared to $24,487, for the year ended December 31, 2023. The increase was mainly due to the full year impact of the acquisition of Seekintoo and Proack which were acquired in 2023. Adjusted gross margin for the segment for the year ending December 31, 2024 was 29.4% compared to 21.6% for the year ending December 31, 2023 reflecting a change in the revenue mix between value-added reseller sales and cybersecurity services. Adjusted EBITDA was $2,892 (or 11.0% of total segment revenue) for the year ending December 31, 2024 compared to $1,231 (or 5.0% of total segment revenue) for the year ended December 31, 2023. Adjusted EBITDA as a percentage of revenue increased in line with the increase in adjusted gross margin.

Other

Other is comprised of Intrahealth and Adracare. Year-over-year comparisons are impacted by the sale of Intrahealth to HEALWELL on February 1, 2024. The decrease in revenue, and EBITDA is attributable to the sale of Intrahealth, which represented most of the segment's revenue and EBITDA.

The SaaS and Technology Services business unit generated Shareholder EBITDA(1) from continuing businesses of $14,941 ($14,970 including discontinued operations), for the year ended December 31, 2024, compared to $11,387 ($12,376 including discontinued operations), for the same period in the prior year, representing an increase of 31.2%.

Corporate

Corporate expenses relate to the Company's headquarter activities including executive compensation and expenses, corporate development, public company costs and costs incurred by the Company's shared service functions that provide support to subsidiaries. Corporate expenses increased to $20,858 (or 2.3% of total consolidated revenue) for the year ended December 31, 2024, compared to $19,604 (or 2.5% of total consolidated revenue) for the year ended December 31, 2023. Corporate expenses increased due to overall Company growth and additional volume and scope of the Company's shared service activities. Corporate expenses as a percentage of total consolidated revenue decreased due to scale and effective cost management.

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.

	Q4 2024 $ '000	Restated Q3 2024 $ '000	Restated Q2 2024 $ '000	Restated Q1 2024 $ '000	Q4 2023 $ '000	Q3 2023 $ '000	Q2 2023 $ '000	Q1 2023 $ '000
Total revenue	234,758	234,135	227,312	223,483	231,246	204,461	170,922	169,425
Net income (loss)	(1,835)	(88,426)	105,574	13,783	33,762	(4,482)	(2,016)	(10,627)
Net income (loss) per share, basic (in $)	0.03	(0.36)	0.42	0.05	0.12	(0.03)	(0.03)	(0.06)
Net income (loss) per share, diluted (in $)	0.03	(0.36)	0.41	0.05	0.12	(0.03)	(0.03)	(0.06)
Adjusted Gross Profit (1)	82,676	94,648	91,546	94,141	101,039	94,236	90,823	86,169
Adjusted Gross Margin (1)	35.2%	40.4%	40.3%	42.1%	43.7%	46.1%	53.1%	50.9%
Adjusted EBITDA (1)	(3,749)	15,134	15,045	20,235	30,750	28,172	27,789	26,683

Note:

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

<u>Restatement of Comparative Quarterly Financial Results</u>

In connection with the preparation of its audited annual consolidated financial statements, the Company determined that all revenue recognition criteria under IFRS 15 had not been met for certain patient services revenue at Circle Medical recognized in 2024. The Company has retrospectively restated revenue as reported in its condensed consolidated interim financial statements for each of the quarters ended March 31, 2024, June 30, 2024 and September 30, 2024 to reflect the foregoing The Company has also restated its key performance metrics for Revenue, Net income (loss), Net income (loss) per share (basic and diluted), Adjusted Gross Profit, Adjusted Gross Margin and Adjusted EBITDA. In addition to the restatements relating to Circle Medical revenue, the Company has also retrospectively restated the classification of the advance payments received from Change HC in the consolidated statements of cash flows in the Company's condensed consolidated interim financial statements for each of the periods ended March 31, 2024, June 30, 2024 and September 30, 2024. Such cash flows were previously reported as operating activities and have been restated as financing activities. The following table provides a summary of the previously reported and restated amounts:

	Q3 2024		Q2 2024		Q1 2024	
	As reported	As restated	As reported	As restated	As reported	As restated
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Total revenue	251,739	234,135	243,147	227,312	231,562	223,483
Net income (loss)	(75,752)	(88,426)	116,976	105,574	19,600	13,783
Net income (loss) per share, basic (in $)	(0.33)	(0.36)	0.45	0.42	0.06	0.05
Net income (loss) per share, diluted (in $)	(0.33)	(0.36)	0.43	0.41	0.06	0.05
Adjusted Gross Profit (1)	112,252	94,648	107,381	91,546	102,220	94,141
Adjusted Gross Margin (1)	44.6%	40.4%	44.2%	40.3%	44.1%	42.1%
Adjusted EBITDA (1)	32,738	15,134	30,880	15,045	28,314	20,235

	Nine months ended September 30, 2024		Six months ended June 30, 2024		Three months ended March 31, 2024	
	As reported	As restated	As reported	As restated	As reported	As restated
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Net cash provided by (used in) operating activities	112,112	(31,639)	54,228	(25,097)	19,064	1,618
Net cash provided by (used in) financing activities	(73,255)	70,496	(40,777)	38,548	(9,735)	7,711

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(1) and Adjusted EBITDA(1) 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.

Fourth Quarter

Revenue for the fourth quarter ended December 31, 2024 was $234,758, an increase of 2% compared to revenue of $231,246 for the fourth quarter ended December 31, 2023 and approximately equal compared to revenue of $234,135 for the third quarter ended September 30, 2024. Revenue recognized for the quarter ended December 31, 2024 was impacted negatively by the Circle Medical revenue deferral and at CRH Medical due to the Change HC cyberattack. Revenue for the quarter ended December 31, 2024 was positively impacted by acquisitions, seasonally strong patient visits in the Company's primary care business and organic growth. Refer to the section "Results by Segment" for additional information on the impacts from the Circle Medical revenue deferral and the CRH Medical revenue impact from the Change HC cyberattack.

Adjusted Gross Profit(1) and Adjusted Gross Margin(1) percentage for the quarter ended December 31, 2024 cannot be compared meaningfully to the same metrics in comparative periods due the impact from the Circle Medical revenue deferral and Change HC cyberattack. Adjusted Gross Profit(1) for the fourth quarter ended December 31, 2024 was $82,676, a decrease of 18% compared to Adjusted Gross Profit(1) of $101,039 in the fourth quarter ended December 31, 2023 and a decrease of 13% compared to Adjusted Gross Profit(1) of $94,648 in the third quarter ended September 30, 2024. The decrease in Adjusted Gross Profit(1) was mainly due to the Circle Medical revenue deferral and the CRH Medical revenue recognition impact from Change HC cyberattack offset by a favourable impact from acquisitions. Adjusted Gross Margin(1) percentage for the fourth quarter ended December 31, 2024 decreased to 35.2% compared to Adjusted Gross Margin(1) percentage of 43.7% in the fourth quarter ended December 31, 2023 and 40.4% in the third quarter ended September 30, 2024. Aside from the impacts from the Circle Medical revenue deferral and the Change HC cyberattack, variability in Adjusted Gross Margin(1) percentage from quarter to quarter is mainly driven by revenue mix.

G&A expenses increased to $81,737 for the fourth quarter ended December 31, 2024, compared to $68,436 and $77,604 for the fourth quarter ended December 31, 2023 and the third quarter ended September 30, 2024, respectively. The increases were primarily due to an increase in salary and benefits from additional headcount as a result of acquisitions and at the Company's headquarters.

For the fourth quarter ended December 31, 2024, the Company incurred $1,924 of transaction and integration costs related to its M&A activities, compared to $1,265 and $2,232 for the fourth quarter ended December 31, 2023 and the third quarter ended September 30, 2024, respectively. The transaction and integration costs are included in G&A expenses as professional and consulting fees and salaries and benefits.

For the fourth quarter ended December 31, 2024, the Company recognized $2,887 of stock-based compensation expense, compared to $6,386 and $2,141 for the fourth quarter ended December 31, 2023 and the third quarter ended September 30, 2024, respectively.

During the fourth quarter ended December 31, 2024, the Company recognized a fair value gain of $48,292 on its investments in HEALWELL, compared to a $39,920 gain in the fourth quarter ended December 31, 2023 and a loss of $77,092 in the third quarter ended September 30, 2024. The fair value gains or losses were driven primarily by changes in HEALWELL share prices during each quarter.

Depreciation and amortization for the quarter ended December 31, 2024 was $20,963 compared to $16,756 for the fourth quarter ended December 31, 2023 and $17,476 for the third quarter ended September 30, 2024.

The net loss in the fourth quarter was $1,835, compared to a net income of $33,762 in the fourth quarter ended December 31, 2023 and a net loss of $88,426 in the third quarter ended September 30, 2024.

FINANCIAL POSITION

Total assets of the Company as at December 31, 2024 were $1,807,273, representing an increase of $397,971 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 $101,484, an increase in accounts and other receivables of $89,514, an increase in cash and cash equivalents of $88,246, an increase in goodwill from acquisitions of $57,056 and the impact from a stronger U.S dollar when translating foreign operations to the Canadian dollar presentation currency. The increase in accounts receivable mainly arose from collection delays at CRH after its billing service provider, Change HC, experienced a cyberattack and system shutdown. Change HC, through an affiliate company, made advance payments to CRH to provide funding relief for the delayed collections. The advance payments have been recognized as advances payable on the Company's consolidated statements of financial position and have not been offset against the aged accounts receivable. The increase in cash and cash equivalents related to the cash advances received by CRH as above, as well as proceeds from the WELLSTAR preferred share financing.

Total liabilities of the Company as at December 31, 2024 were $877,552, representing an increase of $314,396 from $563,156 as at December 31, 2023. The increase related primarily to advances of $165,441 received from CRH's billings service provider as described above, net proceeds from the WELLSTAR preferred share financing of $47,645, deferred revenue from Circle Medical of $53,949, an increase in accounts payable and accrued liabilities of $38,706 and the impact from a stronger U.S dollar when translating foreign operations to the Canadian dollar presentation currency, partially offset by settlement of deferred acquisition cost liabilities.

Net working capital (deficiency), defined as current assets less current liabilities, decreased to $(35,963) as at December 31, 2024, compared to $60,437 at December 31, 2023. The decrease related primarily to the Circle Medical revenue deferral.

Equity attributable to owners of WELL as at December 31, 2024 increased to $867,607, compared to $767,666 as at December 31, 2023. The net increase of $99,941 was mainly due to net income for the period, and the favourable foreign exchange translation on foreign operations.

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 $131,669 as at December 31, 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 Annual MD&A.

Cash Flows

The following table summarizes the Company's cash flows for the years ended December 31, 2024 and 2023:

	Years ended	
	December 31, 2024	December 31, 2023
	$'000	$'000
Cash provided by operating activities	**9,522**	66,437
Cash used in investing activities	**(60,226)**	(81,315)
Cash provided by financing activities	**133,500**	10,628
Effect of foreign exchange rate changes on cash and cash equivalents	**4,747**	(532)
Net change in cash and cash equivalents	**87,543**	(4,782)
Cash reclassified from/(to) assets held for sale	**703**	(703)
Cash and cash equivalents, beginning of period	**43,423**	48,908
Cash and cash equivalents, end of period	**131,669**	43,423

Operating Activities

During the year ended December 31, 2024, the Company generated $9,522 of cash from operating activities compared to $66,437 for the year ended December 31, 2023. The decrease in cash provided by operating activities was mainly due to a delay in accounts receivable collection activities at CRH Medical following the Change HC cyberattack. On March 1, 2024, Change HC, through an affiliate company, launched a temporary funding assistance program to help bridge the gap in short-term cash flow needs for providers impacted by the disruption of Change HC's services. Under the program, Change HC provided funding of $165,441 (US$114,977) to CRH for amounts that would otherwise have been received had the cyberattack and outage not occurred. Amounts provided under this program are subject to repayment at a future date to be mutually agreed to by Change HC and CRH, which is expected to be as cash collections from payors and patients are received These advances have been recognized as advances payable on the Company's consolidated statement of financial position and have been classified as financing activities in the Company's consolidated cash flow statement. Subsequent to December 31, 2024, the Company repaid $35,650 (US$25,000) of the advances from Change HC, leaving a remaining balance outstanding of $129,467 (US$89,977) as of April 14, 2025.

Investing Activities

During the year ended December 31, 2024, the Company used $60,226 in investing activities, as compared to $81,315 for the year ended December 31, 2023. This included:

- $16,226 used on the acquisition of property and equipment and internal development of intangible assets for the year ended December 31, 2024 (2023 - $8,107);
- $37,197 used on business and asset acquisitions for the year ended December 31, 2024 (2023 - $66,139);
- $73 used on the purchase of equity and debt investment in associates and others for the year ended December 31, 2024 (2023 – $6,641);
- $2,390 generated by net proceeds from disposal of investments for the year ended December 31, 2024 (2023 – $11,563);

- $1,578 used on working capital holdback settlements for the year ended December 31, 2024 (2023 - $880); and
- $7,542 used on deferred acquisition cost payments for the year ended December 31, 2024 (2023 - $9,560).

Financing Activities

During the year ended December 31, 2024, the Company generated cash of $133,500 from financing activities compared to $10,628 for the year ended December 31, 2023. The Company made net repayments of $31,362 under its credit facilities for the year ended December 31, 2024 (2023 – received net proceeds of $51,355). During the year ended December 31, 2024, the Company paid $27,961 to non-controlling interests (2023 – $25,101) and $18,781 for lease payments (2023 - $13,410). The Company, via its subsidiary CRH, received $165,441 (2023 – $nil) of advance payments from Change HC under a temporary funding assistance program. During the year ended December 31, 2024, the Company received net proceeds of $47,645 from the issuance of redeemable preferred shares by its subsidiary, WELLSTAR Technologies Corp.

Loans and Borrowings

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

	December 31, 2024 $'000	Reclassified December 31, 2023 $'000	Reclassified January 1, 2023 $'000
CRH syndicated credit facility with JPM:			
Revolving loan	**124,670**	145,873	178,394
Term loan	**75,183**	69,106	-
WHCC and MyHealth syndicated credit facility with RBC:			
Revolving loan	**50,700**	37,400	28,400
Term loan	**41,875**	44,375	46,875
Other loans and borrowings	**387**	722	654
Less: Financing fees	**(2,550)**	(1,875)	(1,849)
Total Loans and Borrowings	**290,265**	295,601	252,474
Current portion	**5,534**	5,264	2,624
Non-current portion	**284,731**	290,337	249,850
Total Loans and Borrowings	**290,265**	295,601	252,474

Credit Facilities

The Company, through its wholly-owned subsidiaries, holds a syndicated four-year credit facility with JPM as syndicate lead which provides up to US$175 million in borrowing capacity and access to an accordion feature that increases the amount of the credit available to the Company by US$125 million. Until March 26, 2023, interest on the facility was calculated with reference to Secured Overnight Financing Rate ("SOFR") plus 1.25% to 2.50%, dependent on the total leverage ratio of the consolidated results of CRH. On March 27, 2023, the Company amended the credit facility to (i) convert the existing US$175 million revolving credit facility into a term loan facility of US$55 million and a revolving credit facility of US$120 million, (ii) adjust applicable margin on interest obligations such that interest is calculated with reference to SOFR plus 1.50% to 2.75%, dependent on the total leverage ratio of the consolidated financial results of CRH, and (iii) to amend certain financial covenants and other terms. The term loan has a US$688 quarterly repayment requirement with the first repayment paid on March 31, 2023 as well as additional potential repayment requirements based on excess cash flow, dependent on the total leverage ratio of the consolidated financial results of CRH.

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 December 31, 2024, the Company had drawn $199,853 (US$138,893) under this facility (December 31, 2023 – $214,979 (US$162,543)).

The Company, through its wholly-owned subsidiaries, WHCC and MyHealth, holds a syndicated five-year revolving credit facility and a term loan with RBC as syndicate lead which provides up to $90 million revolving facility, a $50 million term loan facility and access to an accordion feature that increases the amount of the credit available to the Company by $60 million. Interest on the facility is calculated with reference to Canadian Dollar Offered Rate ("CDOR") plus 1.50% to 3.25%, dependent on the total funded debt to EBITDA ratio of the consolidated results of WHCC and MyHealth. The RBC facility is secured by the assets of WHCC and MyHealth and matures on July 15, 2026. Under the term loan facility, there is a $625 quarterly repayment requirement, with the first repayment paid on December 31, 2021.

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 CDOR as the benchmark interest rate with the Canadian Overnight Repo Rate Average ("CORRA"). As of December 31, 2024, the Company had drawn $92,575 under this facility (December 31, 2023 – $81,775).

The Company's syndicated credit facilities with loans outstanding of $199,853 with JPM and $92,575 with RBC are subject to financial covenants based on the consolidated financial results of CRH, WHCC and MyHealth. Financial covenants include maintenance of certain leverage ratios, fixed charge coverage ratios and guarantor and capital expenditure thresholds and compliance is evaluated quarterly as of March 31, June 30, September 30 and December 31 of each year. The Company was in compliance with all financial covenants and other terms and conditions under its syndicated credit facilities as of December 31, 2024.

Convertible Debentures

On November 25, 2021, the Company issued 70,000 units of unsecured convertible debentures at one thousand dollars per unit for gross proceeds of $70,000. The notes are convertible into common shares of the Company, at the option of the holder, at $9.23 per share, at any time prior to one business day preceding the maturity date of December 31, 2026. The convertible debentures bear interest at a rate of 5.5% per annum, from the date of issue, payable semi-annually in arrears in cash on June 30 and December 31 each year. The first interest payment included interest from closing date up to (but excluding) June 30, 2022. On and after December 31, 2024 and before December 31, 2025, the debentures are redeemable at par plus accrued and unpaid interest, in whole or in part, by the Company at the conversion price provided the volume weighted average trading price during the 20 consecutive trading days is not less than 130% of the conversion price of $9.23. On and after December 31, 2025 and before December 31, 2026, the debentures are redeemable at par plus accrued and unpaid interest, in whole or in part, by the Company at the conversion price of $9.23.

The gross proceeds of $70,000 were allocated $43,479 to the liability component of the convertible debentures and $26,521 to the equity component (conversion right feature). Financing costs incurred in connection with the issuance of convertible debentures totaled $3,890. Financing costs were allocated based on the relative values of the liability and equity components at initial recognition. The allocated costs were netted against each component. Interest on the net liability-component is determined using the effective interest method (19.63% annualized) and accreted over the term of the debentures. As at December 31, 2024, the carrying amount of the convertible debentures based on amortized cost was $55,094 (December 31, 2023 - $49,421).

Redeemable Preferred Shares

On December 11, 2024, the Company's subsidiary, WELLSTAR issued Series A Preferred Shares for gross proceeds of $50,378 (net proceeds of $47,645 after issuance costs). The preferred shares are redeemable at the option of the holders for a fixed return at any time after December 31, 2026. If a holder exercises the redemption option, the Company has a call right to purchase the preferred shares and the holder has a put right to require the Company to purchase the preferred shares at a price equal to the holder's redemption price. The preferred shares automatically convert into subordinate voting shares of WELLSTAR upon a qualifying initial public offering or reverse takeover public listing, or alternative liquidity transaction. The preferred shares are entitled to quarterly dividends commencing March 31, 2026 at an increasing rate over time. The dividends will accrue as notional preferred shares until the occurrence of a liquidity event, redemption or other liquidation event in accordance with the terms of the preferred shares.

The preferred shares have been classified as a liability in the consolidated statements of financial position of WELLSTAR and the Company due to the redemption feature at the option of the holders and other terms that result in the instrument meeting the definition of a financial liability. The financial liability has been initially recognized at $47,645, being fair value less transaction costs and is subsequently being measured at amortized cost using the effective interest rate method. For the year ended December 31, 2024, the Company recognized interest expense of $409 on the redeemable preferred shares liability.

In December 2024, the Company used $13,250 and $3,293 for the acquisitions of Microquest and Bluebird, respectively.

RELATED PARTY BALANCES AND TRANSACTIONS

Related Party Balances and Transactions with Management

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 years ended December 31, 2024 and 2023 was as follows:

	Years ended	
	December 31, 2024	December 31, 2023
	$'000	$'000
Salaries	**1,030**	1,000
Directors' fees	**240**	240
Stock-based compensation expense	**4,754**	8,676
	6,024	9,916

During the year ended December 31, 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 year ended December 31, 2023, the Company granted 1,696,979 RSUs (1,220,771 to the CEO, 112,157 to the CFO, 104,051 to the COO, and 260,000 to the Board of Directors), and 408,518 PSUs (208,518 to the CEO, 100,000 to the CFO, and 100,000 to the COO).

Included in other current assets as at December 31, 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 related to payroll taxes and costs of option exercises on stock issuances to the related parties. They are interest bearing at interest rate as prescribed by Canada Revenue Agency, payable on demand with no specified payment terms. The Company has full recourse to other assets of the executives if they were unable or unwilling to pay.

On December 11, 2024, as part of WELLSTAR's preferred share private placement, WELLSTAR issued Series A Preferred Shares to certain members of key management personnel for gross proceeds of $1,545.

Related Party Balances and Transactions with HEALWELL

The Company has the following balances outstanding with HEALWELL as of December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
	$'000	$'000
Included in accounts and other receivable:		
Accounts receivable	**167**	-
Convertible promissory note receivable, including accrued interest	**5,300**	-
Other receivables	**1,134**	975
Deferred acquisition costs	**642**	-
Working capital holdback receivable	**606**	-
	7,849	975
Included in other current liabilities:		
Working capital holdback payable	**150**	150
Other current liabilities	**154**	-
	304	150

On February 1, 2024, in connection with its sale of Intrahealth to HEALWELL, the Company received a convertible promissory note from HEALWELL for a portion of the purchase price in the principal amount of $5,000. The promissory note bore interest at a rate of 18% per annum and was repayable over the 10 months following the closing date in either cash or shares. Effective November 1, 2024, the promissory note was amended to change the interest rate to 8% per annum and to extend the maturity date to March 31, 2026. The interest will be payable on maturity of the respective promissory notes. The outstanding amount may be converted into Class A Subordinate Voting Shares of HEALWELL at the option of the Company. As of December 31, 2024, the Company recognized receivables due from HEALWELL of $5,300 for the convertible promissory note including accrued interest (December 31, 2023 – $nil), $642 for deferred acquisition costs (December 31, 2023 – $nil) and $606 for a holdback (December 31, 2023 – $nil) in relation to the sale of Intrahealth to HEALWELL.

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 to HEALWELL and recognized it as unearned revenue on its consolidated statement of financial position. During the years ended December 31, 2024 and 2023, the Company recognized revenue of $1,377 and $nil, 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 as follows:

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. For certain patient services relating to the Company's subsidiary Circle Medical, management used an expert to assist with the significant judgement that is required in determining the Company's right to payment under those contracts with payors.

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. Such judgments include determining what constitutes the relevant activities of an entity and how they are directed, determining whether potential voting rights are substantive rights, and assessing the impact of any financial or operational dependencies, shared or common key management personnel or any special relationships that suggest that the Company may have more than a passive interest in the other 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.

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, financial liabilities and equity instruments are classified according to the substance of the contractual arrangements and the definitions of these elements under IAS 32 "Financial instruments: Presentation". 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:

	December 31, 2024 $'000	December 31, 2023 $'000
Financial assets at amortized cost		
Cash and cash equivalents	**131,669**	43,423
Accounts and other receivables	**184,505**	94,991
Lease receivable	**2,279**	2,959
Other current and non-current assets	**29,914**	25,880
	348,367	167,253
Financial assets at fair value through profit or loss ("FVPL")		
Equity and debt investments	**158,476**	56,170
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**86,583**	47,877
Loans and borrowings	**290,265**	295,601
Convertible debentures	**55,094**	49,421
Redeemable preferred shares	**48,054**	-
Lease liability	**79,730**	81,261
Advances payable	**165,441**	-
Other current and non-current liabilities	**30,274**	23,840
	755,441	498,000
Financial liabilities at fair value through profit or loss ("FVPL")		
Deferred acquisition costs	**30,939**	37,071
Financial liabilities - derivatives designated as hedging instruments		
Interest rate swap included in other current liabilities	**-**	824

Fair Value Measurements

The fair value hierarchy establishes three levels to reflect the significance of the inputs used in making the measurements:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments carried at amortized cost:

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

The Company's loans and borrowings, which are mainly comprised of the JPM facility and the RBC facility, are floating rate instruments which are based on SOFR plus 1.75% to 3.00% dependent on CRH's total leverage ratio and CORRA plus 1.50% to 3.25% dependent on WHCC and MyHealth's total funded debt to EBITDA ratio, respectively. The Company estimated the fair value of these financial instruments to be $195,918 (US$136,158) for the JPM facility, and $92,575 for the RBC facility as at December 31, 2024 based on a discounted cash flow analysis using Level 2 directly observable market inputs.

Financial instruments carried at fair value:

The Company's investments in Phelix, Twig, Bright, Tap Medical, Tali.ai, Cherry Health, doctorly, ORX, Graphium, HEALWELL (excluding the Company's equity investment), and Anesthesia RCM are classified as financial assets at FVPL. The fair value measurements of debt investments are categorized within Level 2 of the fair value hierarchy whereas investments in convertible debt, equity and equity derivative instruments are categorized within Level 3 of the fair value hierarchy. The fair values of debt instruments are based on discounted cash flow analyses using directly observable market inputs. The fair values of equity investments in unquoted private entities are based on recent follow-on financing rounds where applicable. The fair values of convertible debt, warrants and call options are estimated using complex mathematical models or option pricing models that incorporate directly observable market inputs (including share prices, interest rates and credit spreads), unobservable inputs (expected share price volatilities and expected terms) and iterative equations, as applicable. As at December 31, 2024 and December 31, 2023, the fair value of investments classified as financial assets at FVPL was $158,476 and $56,170, respectively.

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

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

There were no interest rate swaps or foreign currency forward contracts outstanding as at December 31, 2024 (December 31, 2023, a liability of $824 related to interest rate swaps.

Financial Risk Management

Credit Risk

Credit risk is the risk of a financial loss to one party to a financial instrument when the other party fails to meet its contractual obligation. Credit risk arises from the Company's financial assets. The carrying value of the financial assets represents the maximum exposure to credit risk. The Company limits its exposure to credit risk on cash and cash equivalents by placing these financial instruments with high-credit quality financial institutions and only investing in liquid, investment grade securities.

No single customer accounts for more than 10% of the Company's consolidated revenue. The Company establishes an estimate for expected credit losses on its accounts receivable. Collectability is reviewed regularly and an estimate of expected credit losses is established or adjusted, as necessary, using historic collection patterns and other relevant information. Estimates are subject to change as they are impacted by the nature of collectability, which may involve delays and the current uncertainty in the economy.

The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of performance. The Company's revenue from clinic operations is from billings for insured services paid for by the provincial health authorities. The Company recognizes anesthesia service revenues, net of contractual adjustments and implicit price concessions, which are estimated based on the historical trend of cash collections and contractual adjustments. As a result, anesthesia related receivables reflect the amount the Company expects to receive from patients and third-party insurers at the reporting period end and credit risk is expected to be limited as receivables are recognized based upon historical collection patterns.

As at December 31, 2024, the Company had accounts and other receivables of $184,505 (December 31, 2023 - $94,991), net of expected credit losses of $4,239 (December 31, 2023 - $3,000).

The aging of gross trade accounts receivable as at December 31, 2024 and 2023 was as follows:

	December 31, 2024	December 31, 2023
	$'000	$'000
Not past due	**59,618**	50,221
Past due 1 - 30 days	**20,914**	12,472
Past due 31 - 90 days	**17,541**	9,336
Past due 90+ days	**73,942**	22,218
Trade accounts receivable	**172,015**	94,247
Other accounts receivable	**16,729**	3,744
Total gross accounts receivable	**188,744**	97,991

The Company has a significant accounts receivable balance past due as at December 31, 2024 mainly due to collection delays at CRH after Change HC, its billing service provider, experienced a cybersecurity incident and system shutdown in February 2024 and was unable to process claims or payments from CRH's customers for an extended period of time. Change HC subsequently restored claims submission and payment functionality and as of August 2024, CRH resumed regular processes, and subsequently collected $79,452 up to December 31, 2024 and offset the collections against accounts receivable. During the year ended December 31, 2024, Change HC, through an affiliate company made advance payments to CRH as funding relief as a result of delayed accounts receivable collections. The advance payments have been recognized as advances payable on the Company's consolidated statement of financial position and have not been offset against accounts receivable.

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

	$'000
Balance as at December 31, 2022	3,619
Amounts written off and other	(5,239)
Net remeasurement of loss allowance	4,745
Foreign exchange translation	(125)
Balance as at December 31, 2023	**3,000**
Amounts written off and other	(7,641)
Net remeasurement of loss allowance	8,649
Foreign exchange translation	231
Balance as at December 31, 2024	**4,239**

Liquidity Risk

Liquidity risk references the Company's ability to meet its financial obligations as they fall due and remain solvent. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. To date, the Company has relied on equity, convertible debentures, and bank borrowings to fund its operations and/or acquisitions and will need to continue to secure additional funding for operations and planned growth and development activities. The Company routinely reviews the terms and conditions of its financing arrangements with a view to managing or extending maturities and/or negotiating more favourable terms and conditions. The Company believes that its principal sources of liquidity are sufficient to fund its operations on an ongoing basis.

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

	Undiscounted payments due by period				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
At December 31, 2024	**$'000**	$'000	$'000	$'000	$'000
Deferred acquisition costs and time-based earnouts	**43,957**	21,496	19,621	2,840	-
Lease obligations' minimum payments	**89,999**	20,930	34,740	19,655	14,674
Accounts payable and accrued liabilities	**86,583**	86,583	-	-	-
Working capital holdbacks	**2,601**	2,601	-	-	-
Advanced payable	**165,441**	165,441	-	-	-
Other current and non-current liabilities	**27,673**	25,381	2,292	-	-
Loans and borrowings	**292,428**	6,457	285,971	-	-
Convertible debentures	**77,700**	3,850	73,850	-	-
	786,382	**332,739**	**416,474**	**22,495**	**14,674**

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. As of December 31, 2024, the Company had a remaining commitment of $23,208 under this agreement.

Interest Rate Risk

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

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

On March 3, 2023, the Company designated the interest rate swap in a qualifying hedging relationship and applied hedge accounting as a cash flow hedge in accordance with its accounting policy. During the years ended December 31, 2024 and 2023, the Company recognized a fair value loss of $315 and $509, respectively, in other comprehensive loss in relation to the interest rate swap agreement and reclassified fair value losses of $315 and fair value gains of $315, respectively, from accumulated other comprehensive income to net income.

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 is being subsequently 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 $1,725 for the year ended December 31, 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 is exposed to foreign exchange risk on revenue contracts, purchase contracts and loans and borrowings denominated in currencies other than the currency of the Company's contracting entity. For Canadian operations, this is typically the U.S. dollar and for U.S. entities, this is typically the Canadian dollar. The Company is also exposed to foreign currency risk on translation of the net assets of its foreign operations to Canadian dollars.

The Company from time-to-time uses foreign currency forward contracts to manage its exposure to transactions in foreign currencies. These transactions include forecasted transactions and firm commitments denominated in foreign currencies. The Company does not apply hedge accounting to any of its hedging relationships that involve foreign currency contracts.

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

The Company has foreign currency subsidiaries and a 10% movement in foreign exchange rates versus the U.S. dollar would result in approximately $5,669 change in the Company's net income for the year ended December 31, 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 2024, WELL Health launched their latest ESG Report titled, COPILOTS in healthcare transformation. WELL Health 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 Health develops technologies that create a context in which today's healthcare provider is better equipped to navigate the challenges of modern healthcare. Through constant innovation and dedication to environmental, social and governmental (ESG) excellence, WELL transforms the healthcare ecosystem by drawing on proven and rapidly evolving technologies such as AI to empower healthcare providers to be more efficient, effective and confident, reduce "burn out" and provide patients with faster, more convenient access to care and better health outcomes. Also in 2024, WELL was independently certified as a Great Place to Work® by the Great Place to Work Institute® Canada for the second year in a row, and also added this prestigious certification for the USA, an achievement that reflects the Company's strong commitment to creating a workplace culture centered on trust, belonging, and employee well-being, aligning with its 'Healthy Place to Work' ESG strategy pillar. Key Highlights from the latest ESG report include increased digitization and efficiency in care delivery using AI and other leading-edge technologies, as well as enhanced efforts to help the healthcare industry improve its security and privacy posture.

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.
- **A Healthy 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 well-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 can be found at esg.well.company.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Management, under the supervision of the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of the Company, has designed or caused to be designed under their supervision disclosure controls and procedures ("**DC&P**"), as defined in National Instrument 52-109 - *Certification of Disclosure in Issuer's*

Annual and Interim Filings ("**NI 52-109**"), to provide reasonable assurance that: (a) material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared; and (b) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Management, under the supervision of the CEO and CFO, has evaluated, or caused to be evaluated, the effectiveness of the Company's DC&P as of December 31, 2024. As a result of this evaluation, the CEO and CFO have concluded that the Company's DC&P were not effective as of December 31, 2024 to provide reasonable assurance that all material information relating to Circle Medical was reported as required due to a material weakness in the current operation of the Company's internal control over financial reporting as defined in NI 52-109 ("**ICFR**"), as described below.

Management's Annual Report on Internal Controls over Financial Reporting

The Company, under the supervision of the CEO and CFO, is responsible for designing ICFR in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS as issued by the IASB.

As of December 31, 2024, an evaluation was carried out, under the supervision of the CEO and the CFO, of the effectiveness of the Company's ICFR. Based on this evaluation, the CEO and the CFO concluded that a material weakness exists, as described below, and due to the material weakness, the Company's ICFR were not effective as of December 31, 2024. The control framework used to design and evaluate the effectiveness of the Company's ICFR is established under the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 framework). A material weakness is a deficiency, or combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In connection with the Company's evaluation of ICFR, the following control deficiency was considered to be a material weakness up to December 31, 2024, and is being remediated by the Company:

Control Environment at Circle Medical

The Company has identified that it did not maintain an effective control environment at its non-wholly owned subsidiary Circle Medial as a result of the following:

- Insufficient resources and personnel with knowledge and skill commensurate with the financial reporting requirements.
- Inadequate written policies and procedures for timely reporting of information from the Company's subsidiary to the Company.

As a consequence of the foregoing, the Company did not have complete effective control activities related to the design, implementation and operation of process-level and management review control activities related to the appropriate recognition of revenue of Circle Medical for the purposes of the Company's financial reporting. The material weakness noted resulted in material audit adjustments to revenue with a corresponding impact on deferred revenue.

Remediation of Material Weakness in ICFR

Management, with oversight from the Audit Committee, has initiated, and will continue to implement, remediation measures related to the material weakness identified, which includes:

- Identifying and hiring dedicated risk and compliance resources to report directly to the Circle Medical board of directors; enhancing training of accounting, legal and billing staff and assessing sufficiency of related resources and personnel; and working with third party advisors to assess, review and enhance policies, processes and procedures for communicating information from the Company's subsidiaries to the Company in a timely manner.

Management has initiated remediation actions to address the material weakness and further actions are ongoing or have not been implemented for a sufficient amount of time to test and conclude on the effectiveness of the remediation actions as of December 31, 2024. As a result, the material weakness continues to be present as of December 31, 2024.

Changes in internal controls over financial reporting

Other than the material weakness and related remediation process described above, there were no changes to the Company's ICFR during the year ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Limitations on Effectiveness of Disclosure Controls and Procedures and Internal Control over Financial Reporting

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are 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. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of error or fraud, if any, will be detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected on a timely basis, notwithstanding the remediation of the material weaknesses.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at April 11, 2025 the Company had the following securities issued and outstanding:

Description of Security	Number of Securities Outstanding	Additional Comments
Common Shares	252,905,800	
Stock Options	315,500	Exercisable at prices ranging from $2.24 to $3.25
RSUs	2,508,277	
PSUs	2,044,626	
Convertible debentures	7,583,966	
Total, Fully Diluted	**265,358,169**	

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. **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, 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 has settled one class action and the mass arbitration matters. The other class action has been settled pending final court approval.

   In September 2024, the Company's non-wholly owned Delaware subsidiary Circle Medical received a RFI from the Civil Division of the USAO relating to claims for reimbursement submitted to both federal health care programs and private insurers. Circle Medical voluntarily responded to the RFI and discussions with the USAO regarding this matter are ongoing. The Company cannot predict the outcome of the RFI, nor the length of time it may take to resolve the RFI, or other related actions that might ensue.

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. **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.

5. **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.

6. **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.

7. **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.

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 HC, a unit of UnitedHealth Group, directly affected the Company's collections of receivables, as its primary revenue cycle management vendor utilized Change HC as a clearing house. Further, the Company has noted increases in frequency and sophistication of cybersecurity attacks as a result of the use of artificial intelligence by threat actors.

   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' ongoing risk and exposure to these matters is partially attributable to the evolving nature of these threats.

9. **WELL has experienced rapid growth**: The Company has experienced a period of rapid growth in its headcount and operations. WELL's consolidated revenue grew from $569.1 million for the year ended December 31, 2022 to $919.6 million for the year ended December 31, 2024. The Company's number of full-time employees has increased significantly over the last few years, from 1,710 employees as of December 31, 2022 to 3,200 employees as of December 31, 2024. The Company anticipates that it will continue to significantly expand its operations and headcount in the near term as it continues to scale domestically and internationally. The Company is continually executing a number of growth initiatives, strategies and operating plans designed to enhance its business. The anticipated benefits from these

efforts are based on several assumptions that may prove to be inaccurate. Moreover, the Company may not be able to successfully complete these growth initiatives, strategies and operating plans and realize all of the benefits, including growth targets and synergies, that it expects to achieve, or it may be more costly to do so than WELL anticipates. This growth has placed, and future growth will place, a significant strain on the Company's management, administrative, operational, compliance and financial infrastructure. The Company's success will depend in part on its ability to manage this growth effectively and execute its business plan. To manage the expected growth of operations and personnel, the Company will need to continue to improve its operational, financial, compliance and management controls, and its reporting systems and procedures, and the Company will need to ensure that it maintains high levels of patient care and support. Failure to effectively manage growth and execute on the business plan could result in difficulty or delays in increasing the size of the Company's customer base, declines in quality of patient care, support, or satisfaction, increases in costs, difficulties in introducing new products or features, or other operational difficulties, and any of these difficulties could adversely affect the Company's business performance and results of operations.

10. **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.

11. **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.

12. **Acquisitions and Integration of new Businesses Create Risks and May Affect Operating Results:** The Company has and continues to expect to make acquisitions of various sizes and resulting in ownership by the Company of wholly-owned and non wholly-owned subsidiaries, and continues to integrate previously acquired businesses. There is no assurance that the Company will be able to continue to acquire businesses on satisfactory terms or at all, which could impact the growth strategy of the Company. Acquisitions involve the commitment of capital, management time and other resources, and such acquisitions could have a financial impact in the year of acquisition and beyond. The speed and

effectiveness with which WELL integrates acquired companies into its existing businesses and the upfront capital that may be required to realize any synergies may have a significant impact on WELL's ability to achieve its growth and profitability targets. In addition, WELL may devote significant time and resources towards evaluating business acquisition opportunities, and ultimately elect not to proceed with such acquisitions. The successful integration and management of acquired businesses, and the Company's ability to realize the expected run-rate revenue and Adjusted EBITDA contribution and synergies, are subject to numerous risks and uncertainties that could adversely affect the Company's growth and profitability, including that: management may not be able to manage acquired businesses successfully and the integration may place significant demands on management, thereby diverting its attention from existing operations; operational, financial and management systems may be incompatible with or inadequate to integrate into the Company's systems and management may not be able to utilize acquired systems effectively; acquired businesses may require substantial financial resources that could otherwise be used in the development of other aspects of the Company's existing business; expected synergies in support of the acquisition model may not be fully realized as anticipated or could take longer to realize than expected; despite the Company undertaking comprehensive due diligence of acquired businesses, such due diligence may not uncover all liabilities of acquired businesses, and the scope of any indemnification obligations of the vendors may not be sufficient to cover any such liabilities; historical financial information for certain acquired businesses may be based on carve-out financial information given acquired businesses may have been consolidated into the larger operations of the applicable vendors; the customer contracts underlying acquired businesses may not be retained or renewed on similar terms; acquired businesses may result in liabilities and contingencies which could be significant to the Company's operations; integration activities may distract management and other employees from running the day-to-day business and result in unintended declines in service to existing customers; and personnel from acquired businesses and its existing businesses may not be integrated as efficiently or at the rate foreseen.

13. **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.

14. **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.

15. **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.

16. **Privacy 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.

17. **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.

18. **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. In particular, NI 52-109 requires the Company's Chief Executive Officer and Chief Financial Officer to certify, among other things, the design and effectiveness of disclosure controls and procedures and internal control over financial reporting. As a result, the Company must dedicate substantial internal resources to maintain, evaluate, and improve its internal control environment and ensure compliance with certification requirements. The Company has identified certain material weaknesses in its internal controls, as described under the above section "Disclosure Controls and Internal Controls over Financial Reporting". Additional weaknesses in the

Company's disclosure controls and internal control over financial reporting may also be discovered in the future. Any failure to maintain effective internal controls or any difficulties encountered in their implementation or improvement could harm the Company's results of operations or 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, provide timely disclosure, 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.

19. **The Company May Write off Intangible Assets or Carrying Value May Be Impaired:** The Company's intangible assets, including goodwill, are subject to periodic impairment testing. These assessments require management to make significant judgments regarding the expected future cash flows of the relevant cash-generating units and the determination of appropriate discount rates, all of which are subject to estimation uncertainty. Changes in internal or external factors, including underperformance of acquired businesses, changes in market conditions, or broader economic pressures, may lead to a reduction in the estimated recoverable amount of goodwill or other intangible assets. If the carrying value of these assets exceeds their recoverable amount, the Company would be required to record a non-cash impairment charge. Any such charge could have a material adverse impact on the Company's financial performance and condition, and may affect the trading price of its common shares.

20. **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.

21. **Natural 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.

22. **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.

23. **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.

24. **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, including affiliates of the Company and majority-owned publicly traded and private entities, 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 expected to be 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.

FORWARD-LOOKING INFORMATION

Certain statements in this Annual 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 Annual 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 Annual 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 Annual MD&A.

FUTURE-ORIENTED FINANCIAL INFORMATION

This Annual 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, limitations, and qualifications as set out in this Annual 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 Annual 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 Annual MD&A should not be used for purposes other than for which it is disclosed herein.