WELL HEALTH TECHNOLOGIES CORP.

AUDITED ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

Expressed in thousands of Canadian dollars

Independent auditor's report

To the Shareholders of WELL Health Technologies Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WELL Health Technologies Corp. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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

- the consolidated statements of income and comprehensive income for the years then ended;
- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

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

PricewaterhouseCoopers LLP
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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for patient services at Circle Medical *Refer to note 3 – Material accounting policy information, note 4 – Critical accounting estimates and judgments, note 16 – Deferred revenue and note 23 – Segment reporting to the consolidated financial statements.* For the year ended December 31, 2024, revenue recognized from WELL Health USA Patient and Provider Services – Primary – Circle Medical segment (Circle Medical) was $76.3 million and as at December 31, 2024, deferred revenue for Circle Medical was $53.9 million. The Company recognizes revenue from contracts with customers by applying the following steps: • Identification of the contract, or contracts, with customers; • Identification of the performance obligations in the contract; • Determination of the transaction price; • Allocation of the transaction price to the performance obligations in the contract; and • Recognition of revenue when or as the Company satisfies the performance obligations and has the right to payment During the year ended December 31, 2024, Circle Medical performed certain patient services and collected cash of $53.9 million from its customers.	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined that the revenue and deferred revenue for Circle Medical was recognized by assessing the required revenue recognition criteria, including the Company's right to payment under contracts with payors. This evaluation included the following: – Examined on a sample basis key contracts with payors. – Tested on sample basis revenue and deferred revenue transactions by examining claims submitted and cash collected. – Used the work of management's experts in performing the procedures to evaluate judgments made with respect to the right to payment. As a basis for using this work, the competence, capabilities and objectivity of management's experts was evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed reviewing the analysis of the relevant statute to support the conclusion related to the right to payment prepared by management's experts, and an evaluation of their findings.

Key audit matter	How our audit addressed the key audit matter
The Company determined it was unable to recognize this revenue in 2024 as not all required recognition criteria had been met, instead, Circle Medical has recorded the cash collected of $53.9 million as deferred revenue as at December 31, 2024. With respect Circle Medical revenue, significant judgment is required to determine whether the required revenue recognition criteria have been met, including the Company's right to payment under those contracts with payors. For certain patient services relating to Circle Medical, management used an expert to assist with the significant judgment that is required in determining the Company's right to payment under those contracts with payors (management's expert). We considered this a key audit matter due to the significant judgment by management in assessing whether the required revenue recognition criteria have been met. This in turn led to a high degree of auditor judgment and effort in evaluating audit evidence relating to the revenue recognition criteria. Professionals with specialized skill and knowledge assisted us in performing our procedures.	– Professionals with specialized skills and knowledge assisted in the evaluation of certain aspects of the right to payment. • Assessed the related disclosures in the consolidated financial statements.
Impairment of goodwill	
Refer to note 3 – Material accounting policy information, note 4 – Critical accounting estimates and judgments and note 15 – Intangible assets and Goodwill to the consolidated financial statements. The Company had goodwill of $565.1 million as at December 31, 2024. The Company assesses whether there has been an impairment in the carrying amount of goodwill at least annually and whenever an indicator of impairment exists. An impairment loss is recognized if the carrying amount of a cash generating unit (CGU) or groups of CGUs to which the goodwill relates exceeds its	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amounts of the Company's CGUs, which included the following: – Tested the appropriateness of the method used and the mathematical accuracy of the discounted cash flow models. – Tested the reasonableness of average annual revenue growth rates and terminal growth rates applied by management in the

Key audit matter	How our audit addressed the key audit matter
recoverable amount. The recoverable amounts of CGUs or groups of CGUs are determined based on the greater of their fair value less costs of disposal and value in use. The recoverable amounts of the CGUs were determined based on the value-in-use method using discounted cash flow models. Value-in-use calculations require management to make certain key assumptions, including significant estimates about average annual revenue growth rates, terminal growth rates and discount rates. The Company did not recognize an impairment loss related to goodwill in 2024 because the recoverable amounts of the Company's CGUs or groups of CGUs, as applicable, exceeded their carrying values. We considered this a key audit matter due to (i) the significance of the goodwill balance and (ii) the judgment made by management in determining the recoverable amounts of the CGUs, including the use of certain key assumptions. This has resulted in a high degree of subjectivity and audit effort in performing procedures to test these key assumptions. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	discounted cash flow models by comparing them to the Board of directors' approved budget, management's plans and available third party published economic data. – Professionals with specialized skill and knowledge in the field of valuation assisted in testing the reasonableness of the discount rates applied by management based on available data of comparable companies. – Tested the underlying data used in the discounted cash flow models. • Assessed the related disclosures in the consolidated financial statements.
Revenue recognition for anesthesia services *Refer to note 3 – Material accounting policy information, note 4 – Critical accounting estimates and judgments, note 9 – Accounts and other receivables and note 23 – Segment reporting to the consolidated financial statements.* For the year ended December 31, 2024, revenue recognized from WELL Health USA Patient and Provider Services – Specialized – CRH Medical (CRH Medical) was $234.7 million and as at December 31, 2024, accounts receivable for CRH	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the uncollected revenue and the related receivable, which included the following: – Evaluated the agreement between Change Healthcare and the Company. – Evaluated the reasonableness of variable consideration by reference to the Company's historical trend of cash

Key audit matter	How our audit addressed the key audit matter
Medical was $100.3 million, of which a significant portion relates to anesthesia services. During the quarter ended December 31, 2024, management was required to update key assumptions in its revenue recognition model for anesthesia to capture (i) increased collection risk for services provided in both 2023 and 2024, (ii) higher claim denials from payors due to missed timely filing deadlines by Change Healthcare due to the cyberattack and (iii) the impact of the agreement being reached with Change Healthcare on treatment of the advance payments received. Anesthesia service revenues are recognized on completion of anesthesia procedures for each patient and are recognized net of contractual adjustments. Due to such contractual adjustments, the transaction price for these services is considered to be variable. Significant judgment is involved in determining the estimated anesthesia revenues that will be collected in the future and included in accounts receivable at year-end (the uncollected revenue). Management follows a portfolio approach in estimating the variable consideration based on assumptions related to the historical trend of cash collections from third party payors and contractual adjustments for each payor type. We considered this a key audit matter due to the significant judgments and assumptions used by management in determining the uncollected revenue for anesthesia services due to the judgment required in estimating cash collections from third party payors and contractual adjustments for each payor type. This in turn resulted in a high degree of auditor judgment, significant audit effort and subjectivity in performing procedures related to management's determination of the uncollected revenue.	collections and contractual adjustments by payor type. – Tested the data used in management's determination of the uncollected revenue, by testing historical cash collections on a sample basis. – Assessed the overall reasonability of the uncollected revenue and related receivable by independently developing other incremental scenarios. • Assessed the related disclosures in the consolidated financial statements.

Other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 14, 2025

WELL HEALTH TECHNOLOGIES CORP.
Consolidated Statements of Income and Comprehensive Income
(Expressed in thousands of Canadian dollars unless otherwise stated, except share and per share amounts)

	Years ended	
	December 31, 2024	December 31, 2023
	$'000	$'000
Revenue (Note 5)	**919,688**	776,054
Expenses		
Cost of sales (excluding depreciation and amortization)	**(556,677)**	(403,787)
General and administrative (Note 6)	**(306,200)**	(250,816)
Depreciation and amortization (Notes 14 and 15)	**(72,306)**	(60,768)
Stock-based compensation (Note 21)	**(15,270)**	(26,162)
Foreign exchange gain	**570**	636
Operating income	**(30,195)**	35,157
Interest income (Note 7)	**1,272**	763
Interest expense (Note 7)	**(37,616)**	(33,603)
Time-based earnout expense (Note 8)	**(7,458)**	(21,412)
Change in fair value of investments (Note 12)	**101,484**	42,560
Gain on disposal of assets and investments	**11,817**	1,570
Share of net loss of associates	**(4,341)**	(378)
Other expenses (Note 9)	**(25,971)**	(5,160)
Income before income tax	**8,992**	19,497
Income tax recovery (expense) (Note 20)	**20,104**	(2,860)
Net income	**29,096**	16,637
Net income attributable to:		
Owners of WELL Health Technologies Corp.	**32,609**	82
Non-controlling interests	**(3,513)**	16,555
	29,096	16,637
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Exchange difference on translation of foreign operations	**42,011**	(12,745)
Fair value loss on derivative instruments designated in cash flow hedges	**(315)**	(509)
Reclassification of fair value loss (gain) on derivative instruments to net income	**315**	(315)
Total comprehensive income	**71,107**	3,068
Total comprehensive income (loss) attributable to:		
Owners of WELL Health Technologies Corp.	**74,045**	(13,325)
Non-controlling interests	**(2,938)**	16,393
	71,107	3,068
Earnings per share attributable to WELL Health Technologies Corp.		
Basic	**0.13**	0.00
Diluted	**0.13**	0.00
Weighted average number of common shares outstanding		
Basic	**246,763,835**	236,542,932
Diluted	**254,651,679**	236,542,932

WELL HEALTH TECHNOLOGIES CORP.
Consolidated Statements of Financial Position
(Expressed in thousands of Canadian dollars unless otherwise stated)

As at	**December 31, 2024**	December 31, 2023 (Reclassified - Note 3(r))	January 1, 2023 (Reclassified - Note 3(r))
	$'000	$'000	$'000
Assets			
Current			
Cash and cash equivalents	**131,669**	43,423	48,908
Accounts and other receivables (Note 10)	**184,505**	94,991	78,914
Inventory	**2,691**	1,180	1,370
Lease receivable (Note 19(b))	**879**	1,107	568
Prepayments and other assets (Note 11)	**26,369**	21,487	21,117
Assets held for sale (Note 25)	**-**	14,208	-
Total current assets	**346,113**	176,396	150,877
Financial assets at fair value through profit and loss (Note 12)	**158,476**	56,170	5,636
Investments accounted for using the equity method (Note 13(d))	**15,310**	4,690	4,369
Lease receivable – non-current (Note 19(b))	**1,400**	1,852	1,880
Prepayments and other assets – non-current (Note 11)	**3,545**	4,393	3,177
Deferred tax assets (Note 20(c))	**41,588**	-	-
Property and equipment (Note 14)	**101,762**	102,540	82,535
Intangible assets (Note 15)	**573,962**	555,200	571,267
Goodwill (Note 15)	**565,117**	508,061	499,290
Total assets	**1,807,273**	1,409,302	1,319,031
Liabilities and equity			
Current			
Accounts payable and accrued liabilities	**86,583**	47,877	50,728
Deferred revenue (Note 16)	**59,450**	6,648	6,797
Deferred acquisition costs (Note 17(a))	**14,585**	14,493	18,229
Other liabilities (Note 17(b))	**27,982**	21,087	17,489
Advances payable (Note 17(c))	**165,441**	-	-
Loans and borrowings (Note 18(a))	**5,534**	5,264	2,624
Convertible debentures (Note 18(b))	**3,850**	3,850	3,850
Lease liability (Note 19(a))	**18,651**	14,869	9,107
Liabilities associated with assets held for sale (Note 25)	**-**	1,871	-
Total current liabilities	**382,076**	115,959	108,824
Deferred revenue - non-current (Note 16)	**-**	255	403
Deferred acquisition costs – non-current (Note 17(a))	**16,354**	22,578	20,268
Other liabilities – non-current (Note 17(b))	**2,292**	3,577	744
Loans and borrowings - non-current (Note 18(a))	**284,731**	290,337	249,850
Convertible debentures - non-current (Note 18(b))	**51,244**	45,571	40,829
Redeemable preferred shares (note 18(c))	**48,054**	-	-
Lease liability – non-current (Note 19(a))	**61,079**	66,392	52,156
Deferred tax liabilities (Note 20(c))	**31,722**	18,487	30,706
Total liabilities	**877,552**	563,156	503,780
Equity			
Share capital (Note 21)	**784,873**	751,550	705,186
Contributed surplus (Note 21)	**46,621**	54,048	51,765
Accumulated other comprehensive income	**67,088**	25,652	39,059
Accumulated deficit	**(30,975)**	(63,584)	(63,666)
Equity attributable to owners of WELL Health Technologies Corp.	**867,607**	767,666	732,344
Non-controlling interests	**62,114**	78,480	82,907
Total equity	**929,721**	846,146	815,251
Total equity and liabilities	**1,807,273**	1,409,302	1,319,031

Commitments and contingencies (Notes 26, 27(c), and 29)
Events after the reporting period (Notes 17(c), 26 and 29)

Approved by the Directors:

"Hamed Shahbazi" *"Thomas Liston"*

WELL HEALTH TECHNOLOGIES CORP.
Consolidated Statements of Changes in Equity
(Expressed in thousands of Canadian dollars unless otherwise stated, except share amounts)

		Attributable to owners of WELL Health Technologies Corp.						
	Number of Shares	Share Capital $'000	Contributed Surplus $'000	Accumulated Other Comprehensive Income $'000	Accumulated Deficit $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
Balance at December 31, 2023	**241,427,825**	**751,550**	**54,048**	**25,652**	**(63,584)**	**767,666**	**78,480**	**846,146**
Stock options exercised (Note 21)	1,615,373	5,136	(1,917)	-	-	3,219	-	3,219
Shares issued for RSUs/PSUs (Note 21)	4,126,905	20,802	(20,802)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs (Note 17(a))	1,767,874	6,899	-	-	-	6,899	-	6,899
Shares issued for time-based earnout payments	537,563	2,144	-	-	-	2,144	-	2,144
Stock-based compensation (Note 21)	-	-	15,270	-	-	15,270	-	15,270
Normal course issuer bid	(383,600)	(1,658)	-	-	-	(1,658)	-	(1,658)
Non-controlling interests via business combination (Note 24)	-	-	-	-	-	-	10,719	10,719
Distributions paid to non-controlling interests	-	-	-	-	-	-	(27,661)	(27,661)
Other transactions with non-controlling interests	-	-	22	-	-	22	3,514	3,536
Foreign currency translation of foreign subsidiaries	-	-	-	41,436	-	41,436	575	42,011
Net income for the period	-	-	-	-	32,609	32,609	(3,513)	29,096
Balance at December 31, 2024	**249,091,940**	**784,873**	**46,621**	**67,088**	**(30,975)**	**867,607**	**62,114**	**929,721**
Balance at December 31, 2022	**231,047,290**	**705,186**	**51,765**	**39,059**	**(63,666)**	**732,344**	**82,907**	**815,251**
Stock options exercised (Note 21)	890,157	1,253	(443)	-	-	810	-	810
Shares issued for RSUs/PSUs (Note 21)	4,259,807	22,793	(22,793)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs (Note 17(a))	2,852,264	12,375	-	-	-	12,375	-	12,375
Shares issued for settlement of working capital holdbacks	19,770	81	-	-	-	81	-	81
Shares issued for time-based earnout payments	1,013,518	4,096	-	-	-	4,096	-	4,096
Shares issued for consideration in business combinations (Note 24)	1,345,019	5,766	-	-	-	5,766	-	5,766
Stock-based compensation (Note 21)	-	-	26,162	-	-	26,162	-	26,162
Non-controlling interests via business combination (Note 24)	-	-	-	-	-	-	7,050	7,050
Distributions paid to non-controlling interests	-	-	-	-	-	-	(25,101)	(25,101)
Other transactions with non-controlling interests	-	-	(643)	-	-	(643)	(2,773)	(3,416)
Finalization of 2022 PPA	-	-	-	-	-	-	4	4
Foreign currency translation of foreign subsidiaries	-	-	-	(12,583)	-	(12,583)	(162)	(12,745)
Derivative instruments designated in cash flow hedges	-	-	-	(824)	-	(824)	-	(824)
Net income for the period	-	-	-	-	82	82	16,555	16,637
Balance at December 31, 2023	**241,427,825**	**751,550**	**54,048**	**25,652**	**(63,584)**	**767,666**	**78,480**	**846,146**

WELL HEALTH TECHNOLOGIES CORP.

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars unless otherwise stated)

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Cash flows provided by/(used in)		
Operating activities		
Net income for the period	**29,096**	**16,637**
Adjustments to net income for non-cash items:		
Interest income accretion	**(907)**	**(286)**
Interest expense accretion	**15,643**	**13,606**
Time-based earnout payments settled via shares	**2,144**	**4,096**
Unrealized foreign exchange gain (loss) and others	**5,304**	**(7,000)**
Loss on revaluation of deferred acquisition cost liability	**3,029**	**12,469**
Change in fair value of investments	**(101,484)**	**(42,560)**
Depreciation and amortization (Notes 14 and 15)	**72,306**	**60,768**
Gain on disposal of investments	**(11,204)**	**(1,563)**
Share of net loss of associates	**4,341**	**378**
Stock-based compensation (Note 21)	**15,270**	**26,162**
Loss on deferred acquisition cost settled in shares	**175**	**1,172**
Non-cash loss included in other expenses	**752**	**3,228**
Deferred income taxes	**(31,615)**	**(10,421)**
Change in non-cash operating items (Note 28)	**6,672**	**(10,249)**
Net cash provided by operating activities	**9,522**	**66,437**
Investing activities		
Business acquisitions, net of cash acquired (Notes 24 and 28)	**(26,903)**	**(48,862)**
Asset acqusitions (Notes 24 and 28)	**(10,294)**	**(17,277)**
Net proceeds from disposal of investments (Note 24)	**2,390**	**11,563**
Equity and debt investments in associates and others (Note 28)	**(73)**	**(6,641)**
Other transactions with non-controlling interests	**-**	**(1,551)**
Acquisition of property and equipment and internally generated intangible assets	**(16,226)**	**(8,107)**
Settlement of working capital holdbacks	**(1,578)**	**(880)**
Settlement of deferred acquisition costs (Note 17(a))	**(7,542)**	**(9,560)**
Net cash used in investing activities	**(60,226)**	**(81,315)**
Financing activities		
Net proceeds from redeemable preferred shares (Note 18(c))	**47,645**	**-**
Shares repurchased under NCIB (Note 21)	**(1,658)**	**-**
Advances payable (Note 17(c))	**165,441**	**-**
Payment of interest on convertible debentures (Note 18(b))	**(3,850)**	**(3,850)**
Proceeds from loans and borrowings	**46,694**	**106,864**
Repayments of loans and borrowings	**(78,056)**	**(55,509)**
Proceeds from stock options exercised	**3,219**	**810**
Transactions with non-controlling interests	**(27,961)**	**(25,101)**
Lease payments (Note 19(a))	**(18,781)**	**(13,410)**
Lease payments received (Note 19(b))	**807**	**824**
Net cash provided by financing activities	**133,500**	**10,628**
Effects of foreign exchange difference on cash and cash equivalents	**4,747**	**(532)**
Cash reclassified from/(to) assets held for sale (Note 25)	**703**	**(703)**
Net change in cash	**88,246**	**(5,485)**
Cash and cash equivalents - beginning of period	**43,423**	**48,908**
Cash and cash equivalents - end of period	**131,669**	**43,423**
Cash paid for:		
Interest	**(26,495)**	**(23,051)**
Income tax	**(5,116)**	**(14,869)**

1. Nature of Operations

WELL Health Technologies Corp. (the "Company") is a practitioner-focused digital healthcare company. WELL's overarching mission is to positively impact health outcomes by leveraging technology to empower healthcare practitioners and their patients globally. The Company was incorporated under the Business Corporations Act of British Columbia on November 23, 2010. The Company's common shares trade on the Toronto Stock Exchange (the "TSX") under the symbol WELL.

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

These audited annual consolidated financial statements were approved by the Company's Board of Directors on April 14, 2025.

2. Basis of Presentation

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

These audited annual consolidated financial statements have been prepared under the historical cost basis except with respect to certain financial instruments which are measured at fair value (Note 27). All financial information in these audited annual consolidated financial statements, except share and per share amounts, is presented in thousands of Canadian dollars.

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

3. Material Accounting Policy Information

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

a) Basis of consolidation

These audited annual consolidated financial statements include the assets, liabilities and results of operations of the Company and all subsidiaries that are controlled by the Company for the years ended December 31, 2024, and 2023.

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

b) Business combinations

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

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

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

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

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

c) Foreign currency translation

(i) Functional and presentation currency

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

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

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

(ii) Foreign operations translation

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

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

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

(iii) Transactions in foreign currency

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

d) Cash and cash equivalents

Cash and cash equivalents comprise cash in banks and short-term monetary instruments with initial maturities of three months or less when purchased or which are redeemable at face value on demand.

e) Financial instruments and hedge accounting

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets, 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.

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

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

(i) Financial Assets

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

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

Debt instruments

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

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

Equity Instruments

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

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

Impairment

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

(ii) Financial Liabilities

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

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

Preferred shares that provide for redemption at the option of the holder that give rise to a contractual obligation to deliver cash or another financial asset, or that may be settled with a variable number of the issuer's own equity instruments, are classified as financial liabilities.

(iii) Derivative Financial Instruments and Hedge Accounting

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

(iv) Compound Financial Instruments

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

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

f) Investments in associates and joint ventures

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

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

g) Stock-based compensation

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

Stock options

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

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

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

RSUs and PSUs

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

h) Revenue recognition

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

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

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

See Note 5 for a breakdown of the Company's revenue from contracts with customers. See Note 10 for the Company's balance of accounts receivable, all of which is attributable to revenue generated from contracts with customers. When payments are received from customers in advance of performance obligations being satisfied, amounts are recorded as deferred revenue (Note 16) on the consolidated statement of financial position.

The Company generates its revenue from the following sources:

Patient Services revenue

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

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

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

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

Anesthesia service revenues are derived from anesthesia procedures performed under CRH professional services agreements. The fees for such services are billed either to a third-party payor, Medicare or Medicaid or other government insurers, or to the patient. The Company recognizes anesthesia service revenues, net of contractual adjustments, which are estimated based on the historical trend of cash collections and contractual adjustments. There is significant judgment involved in determining the estimated revenues that will be collected in the future due to the judgment required in estimating the amounts that third party payors will pay for services based on past collections. The transaction price is variable; variable consideration relates to contractual allowances, credit provisions and other discounts. IFRS 15 "Revenue from Contracts with Customers" requires management to estimate the transaction price, including any implicit concessions from the credit approval process. The Company adopted a portfolio approach to estimate variable consideration transaction price by payor type (patient, government and/or insurer) and the specifics of the services being provided. These portfolios share characteristics such that the results of applying a portfolio approach are not materially different than if the standard was applied to individual patient contracts. Revenue is recognized upon completion of the related services.

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

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

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

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

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

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

Cybersecurity services revenue is generated primarily from:

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

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

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

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

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

i) Research and Development

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

j) Government Assistance and Investment Tax Credits

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

k) Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the best estimate of the present value of the expenditures expected to be required to settle the obligation. Where the effect of discounting is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are liabilities of uncertain timing or amount and are not recognized until the Company has a present obligation as a result of a past event, it is probable that the Company will experience an outflow of resources embodying economic benefits to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Company discloses contingent liabilities unless the possibility of an outflow of resources in settlement is remote.

l) Income taxes

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

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

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

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

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit;
- goodwill; and

- investments in subsidiaries, branches and associates, and interests in joint arrangements where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

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

m) Share capital

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

n) Earnings per share

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

o) Property and equipment

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

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

p) Intangible assets

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

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

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

Goodwill is measured at cost less accumulated impairment losses.

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

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

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

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

q) Leases

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

Leases – the Company as a lessee

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

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

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

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company elects, as a practical expedient, not to separate out non-lease components from lease components of a lease, and account for them as a single lease component.

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

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

Subleases – the Company as a lessor

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

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

r) Adoption of accounting standards

On January 1, 2024, the Company retrospectively adopted "Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)" and "Non-current Liabilities with Covenants (Amendments to IAS 1)". The amendments clarify the requirements for classifying liabilities as current or non-current, specifically to introduce certain requirements related to the determination of the existence of a right at the end of a reporting period to defer settlement of a liability for at least twelve months after the reporting period. The amendments also specify that if a right to defer settlement of a liability for at least twelve months is subject to an entity complying with covenants after the reporting period, then those covenants would not affect the classification of the liability as current or non-current at the reporting date. The amendments also require entities to provide additional disclosures for liabilities classified as non-current and subject to covenants within twelve months of the reporting date. The adoption of the amendments resulted in the Company reclassifying revolving loans subject to covenants under its syndicated credit facility with the Royal Bank of Canada (net of deferred financing costs) of $36,994 as of December 31, 2023 and $27,679 as of January 1, 2023 from current liabilities to non-current liabilities on its consolidated statements of financial position (Note 18(a)).

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

IFRS 9 and IFRS 7 Amendments

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

IFRS 18

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

4. Critical Accounting Estimates and Judgments

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

Revenue recognition

Estimates are required in the determination of the timing and amount of anesthesia service 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 audited annual consolidated financial statements requires that the Company's management makes assumptions and estimates on the classification of leases and the right-of-use assets. When assessing the classification of a lease agreement, certain estimates and assumptions need to be made and applied, which include, but are not limited to, the determination of the expected lease term and minimum lease payments, implicit borrowing rate, the assessment of the likelihood of exercising renewal options, annual inflation factor and estimation of the fair value of the lease property at lease commencement.

Assets held for sale

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

Fair value of financial instruments

The Company uses various valuation methodologies when estimating the fair value of its financial assets and financial liabilities. Fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated using internal and external valuation models including discounted cash flow analysis, option pricing models and other more complex mathematical models, as applicable. Fair values determined using valuation models require the use of estimates and assumptions concerning the amount and timing of estimated future cash flows, discount rates, credit risk, and other factors. In determining these assumptions, the Company uses primarily external, readily observable market inputs, including share prices, interest rates, credit spreads and historical share price volatilities, as applicable. Assumptions or inputs that are not based on observable market data are used when external data are unavailable including expected share price volatility, expected terms, restriction period discounts and other inputs. Management applies significant judgment in selecting the valuation model to be used for estimating fair value for each financial instrument, determining model input assumptions, determining which inputs are significant to the valuation, and when applying adjustments to model values for un-observable factors. The fair value estimates that require the most significant judgment and estimation relate to the Company's investments in HEALWELL including convertibles debentures, warrants and call option (Note 12(a)) and the Company's deferred acquisition cost liabilities (Note 17(a)), and the resulting change in fair value of investments as reported in the consolidated statement of income (Note 12(a)).

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.

5. Revenue

The following table shows the details of revenues for the years ended December 31, 2024, and 2023:

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

	Years ended	
	December 31, 2024	December 31, 2023
	$'000	$'000
Public insured	**313,568**	231,390
Non-public and other	**537,811**	475,910
Patient Services	**851,379**	707,300
SaaS and Technology Services	**68,309**	68,754
Total Revenue	**919,688**	776,054

6. General and Administrative Expenses

The following table shows the details of general and administrative 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

7. Interest Income and Expense

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

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

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Interest accretion on subleases (Note 19(b))	**127**	126
Interest income on cash and cash equivalents and others	**1,145**	637
Interest income	**1,272**	763
Interest on loans and borrowings	**(21,901)**	(19,954)
Interest on convertible debentures (Note 18(b))	**(9,523)**	(8,592)
Interest on redeemable preferred shares (Note 18(c))	**(409)**	-
Interest accretion on leases (Note 19(a))	**(3,672)**	(2,798)
Accretion of discount on deferred acquisition costs (Note 17(a))	**(735)**	(1,283)
Amortization of deferred financing fees	**(1,376)**	(976)
Interest expense	**(37,616)**	(33,603)

8. Time-based Earnout Expense

The following table shows a breakdown of time-based earnout expense for the years ended December 31, 2024, and 2023:

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Time-based earnout expense	**4,248**	7,513
Loss on settlement of certain deferred acquisition cost and time-based earnout liabilities via shares	**181**	1,430
Loss on revaluation of deferred acquisition cost liability (Note 17(a))	**3,029**	12,469
	7,458	21,412

During the year ended December 31, 2024, the Company recognized a loss of $3,029 (2023 - $12,469 loss) on the revaluation deferred acquisition cost liabilities, of which $4,625 (2023 - $12,469) related to the MyHealth Partners Inc.'s ("MyHealth") acquisition. The revaluations reflect differences between actual deferred acquisition cost payments made during the period and estimates made in prior periods, plus the re-estimation of future earnout payments to be made over the remaining earnout period due to changes in estimates and assumptions relating to the earnings measure used in the earnout calculation. For the year ended December 31, 2023, the loss on revaluation of the MyHealth deferred acquisition cost liability also reflected the impact from an agreement signed in February 2023 that amended the terms of the MyHealth earnout arrangement.

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

The earnings measure defined in the earnout agreement used to determine the amount of the MyHealth earnout obligation represents an unobservable input in the fair valuation calculation. Any increase or decrease in the earnings measure projection would result in a higher or lower fair value of the deferred acquisition cost liability and would have a corresponding impact on the losses recognized during the years ended December 31, 2024 and 2023. The Company determined that reasonably possible changes in the key assumptions relating to projecting the MyHealth earnings measure would not have resulted in a material impact on the Company's consolidated financial statements.

9. Other Expenses

The following table shows the details of other expenses for the years ended December 31, 2024, and 2023:

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Legal settlement costs (Note 26)	**20,436**	-
Transition services income (Note 22(b))	**(1,377)**	-
Other expenses	**6,912**	5,160
	25,971	5,160

10. Accounts and Other Receivables

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

	December 31, 2024 $'000	December 31, 2023 $'000
Accounts Receivable - gross	**188,744**	97,991
Less: Expected credit losses	**(4,239)**	(3,000)
	184,505	94,991
Accounts receivable - gross		
Canadian Patient Services - Primary	**15,034**	9,403
Canadian Patient Services - Specialized - MyHealth	**13,322**	10,279
U.S. Patient Services - Primary - Circle	**11,936**	14,360
U.S. Patient Services - Primary - WISP	**1,300**	898
U.S. Patient Services - Specialized - CRH Medical	**100,284**	38,233
U.S. Patient Services - Specialized - Provider Staffing	**19,073**	13,290
SAAS and Technology Services	**20,214**	11,350
Other receivables	**7,581**	178
	188,744	97,991

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

The increase in accounts receivable at CRH Medical arose mainly from collection delays after its former third-party billing service provider experienced a cyberattack and system shutdown in February 2024 and was unable to process billings or payments from CRH's customers for an extended period of time. The billing service provider 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 payments against accounts receivable. During the year ended December 31, 2024, the Company received cash advance payments of $165,441 (December 31, 2023 - $nil) directly from the billing service provider under a temporary funding assistance program to provide funding relief to CRH 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 accounts receivable (Note 17(c)).

The Company evaluates credit losses on a periodic basis based on the aging and collectability of its accounts receivable. As at December 31, 2024, the Company recognized expected credit losses of $4,239 (December 31, 2023 - $3,000), which have been recorded as a reduction of accounts receivable. The expected lifetime credit loss provision for trade receivables is based on historical counterparty default rates and is adjusted for relevant forward-looking information as required.

11. Prepayments and Other Assets

	December 31, 2024 $'000	December 31, 2023 $'000
Current:		
Prepaid expenses	**9,484**	6,395
Income tax receivable	**3,054**	6,955
Employee receivable (Note 22(a))	**12,150**	7,157
Others	**1,681**	980
	26,369	21,487
Non-current:		
Others	**3,545**	4,393
	29,914	25,880

12. Financial Assets at Fair Value Through Profit and Loss

The following table provides the carrying values of the Company's investments in financial assets measured at fair value through profit and loss as at December 31, 2024 and 2023:

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

		December 31, 2024 $'000	December 31, 2023 $'000
HEALWELL	(a)	**147,824**	45,940
Tali.ai	(b)	**2,154**	2,094
Phelix	(c)	**2,859**	2,859
Anesthesia RCM	(d)	**2,901**	2,666
Others		**2,738**	2,611
		158,476	56,170

Financial asset investments include debt, equity and derivative instruments and are measured at fair value through profit and loss (FVPL) in accordance with IFRS 9. The Company uses various fair value techniques to estimate the fair value of these investments. During the year ended December 31, 2024, the Company recognized fair value gains totalling $101,484 on these investments (2023 – $42,560).

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

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

The following table summarizes, for each financial instrument, the consideration allocated (the transaction price) on October 1, 2023, the fair values as of October 1, 2023, December 31, 2023 and December 31, 2024.

Financial instrument	Consideration allocated on October 1, 2023 $'000	Fair value on October 1, 2023 $'000	Fair value on December 31, 2023 $'000	Fair value on December 31, 2024 $'000
Convertible debentures, including accrued interest	3,170	10,660	15,160	47,990
Warrants	830	7,390	11,280	38,610
Call option	1,920	13,428	19,500	61,224
Total	**5,920**	**31,478**	**45,940**	**147,824**

During the year ended December 31, 2024, the Company recognized fair value gains of $101,484 on the HEALWELL financial assets and accrued interest income of $400 on the convertible debentures. During the year ended December 31, 2023, the Company recognized a fair value gain of $39,920 on the HEALWELL financial instruments comprised of (a) the difference between the fair value at initial recognition and the transaction price of $25,558 and (b) the increase in fair value from October 1, 2023 to December 31, 2023 of $14,362. The Company also recognized accrued interest income of $100 on the convertible debentures. The Company recognized the difference between the fair value at initial recognition and the transaction price into earnings immediately post acquisition as it determined that the gain arose from a change in observable and unobservable factors that market participants would take into account when pricing the assets post acquisition. Management applied significant judgment when determining the factors that market participants would take into account when pricing the assets, including both financial and qualitative inputs, as well as the changes in these factors post acquisition and their significance to the valuation. Any changes to this assessment could have had a material impact on the timing of recognition of the gain arising from the difference between the fair value at initial recognition and the transaction price.

The fair values of the HEALWELL convertible debentures, warrants and call option were estimated using complex mathematical models or option pricing models that incorporate directly observable market inputs for HEALWELL share price, risk-free interest rates and credit spreads and unobservable inputs for expected share price volatilities, expected terms and restriction period discounts, as applicable. Any increase to expected share price volatility, increase in expected term and reduction to restriction period discount would result in higher fair values for these financial instruments, and vice versa. The Company determined that reasonably possible changes to these unobservable inputs, as applicable, would not have a material impact on the fair valuation calculations and the gains recognized in net income for the years ended December 31, 2024 and 2023.

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

On December 13, 2021, the Company entered into a secured convertible promissory note and warrant transaction with Tali.ai for $1,000. The convertible promissory note bore interest at a rate of 8% per annum, with a maturity date of December 13, 2025. On October 16, 2023, the Company subscribed for shares in Tali.ai and exercised a portion of its warrants for consideration of $622. The Company also converted its promissory notes (including accrued interest income of $60) to shares. The Company estimated the fair value of the investment to be $2,154 as at December 31, 2024 and $2,094 as at December 31, 2023.

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

In May and September 2020, the Company entered into secured convertible promissory note and warrant transactions with Phelix for a total of $280. The convertible promissory notes bore interest at a rate of 10% per annum, compounded annually, from the date of issue, and had three-year terms. On March 1, 2021, the Company converted the outstanding principal and accrued interest of convertible promissory notes into common shares of Phelix. In 2021, the Company also subscribed for additional shares of Phelix for $523 (US$412). The Company estimated the fair value of the investment to be $2,859 as at December 31, 2024 and December 31, 2023 and recognized a fair value gain of nil on the investment during the year ended December 31, 2024 (2023 - $2,023).

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

The Company, through acquisition of its CRH Medical subsidiary in 2021, acquired an equity investment in Anesthesia RCM for $2,520 (US$2,016). The carrying value of the investment of $2,901, which represents cost adjusted for foreign currency translation, approximates fair value as of December 31, 2024 (December 31, 2023 - $2,666).

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

13.Investments in Subsidiaries and Associates

(a) Material subsidiaries

The Company's principal subsidiaries as of December 31, 2024 are set out below. Unless otherwise stated, these subsidiaries have share capital consisting solely of common shares that are held directly by the Company, and the proportion of ownership interest held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by WELL 2024	2023	Ownership interest held by non-controlling interest 2024	2023	Principal activities
CRH Medical Corporation[(1)]	US	100%	100%	0%	0%	Specialized Patient Services
MyHealth Partners Inc.	Canada	100%	100%	0%	0%	Specialized Patient Services
Circle Medical Technologies, Inc.	US	70%	70%	30%	30%	SaaS and Technology Services
WISP, Inc.	US	52%	53%	48%	47%	SaaS and Technology Services

(1) As at December 31, 2024 and 2023, CRH had 70 operating subsidiaries for which ownership interests range from 51% to 100%

(b) Non-controlling interests (NCI)

Set out below is summarized financial information for the Company's subsidiary, CRH, that has non-controlling interests that are material to the Company. CRH's operating agreements with non-physician partners contain terms that may require CRH to redeem the physician partner's ownership interests at fair market value upon the occurrence of certain government actions, including a change in, or a change in interpretations of, U.S. or Federal State laws, rules or regulations. The amounts disclosed are before inter-company eliminations.

Summarized balance sheets

	December 31, 2024 $'000	December 31, 2023 $'000
Current assets	**193,465**	63,546
Non-current assets	**621,880**	593,977
Total assets	**815,345**	657,523
Current liabilities	**(201,644)**	(17,058)
Non-current liabilities	**(251,049)**	(277,933)
Total liabilities	**(452,693)**	(294,991)
Net assets	**362,652**	362,532
Accumulated NCI	**62,284**	69,334

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

Summarized statements of comprehensive income

	December 31, 2024 $'000	December 31, 2023 $'000
Revenue	**354,973**	302,423
Profit for the period	**(20,812)**	15,855
Other comprehensive income	**30,416**	(12,294)
Total comprehensive income	**9,604**	3,561
Profit allocated to NCI	**10,477**	16,117
Dividends paid to NCI	**27,245**	24,614

Summarized cash flows

	December 31, 2024 $'000	December 31, 2023 $'000
Cash flows from operating activities	**(24,632)**	57,536
Cash flows from investing activities	**(10,435)**	(53,142)
Cash flows from financing activities	**93,596**	(2,799)
Net increase in cash and cash equivalents	**58,529**	1,595

(c) Other transactions with non-controlling interests

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

(d) Investments accounted for using the equity method

The Company had the following interests in associates as at December 31, 2024 that are accounted for using the equity method.

Name of entity	**Place of business/ country of incorporation**	**Economic ownership interest percentage**	**Voting interest percentage(1)**	**Dates acquired**	**Nature of relationship**	**Carrying value**
HEALWELL AI Inc. ("HEALWELL")(i)	Canada	13%	14%	October 17, 2023	Associate	$11,800
Simpill Health Group Inc. ("Pillway")(ii)	Canada	18%	18%	December 2, 2020	Associate	$3,510

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

(i) HEALWELL

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

- certain Ontario based clinical assets including 14 medical and allied care clinics and an 80% interest in MCI Prime Urgent Care Clinic Inc. from MCI Medical Clinics Inc., a subsidiary of HEALWELL (Note 24(b));
- $6,204 in secured debt plus accrued interest due from HEALWELL to a lender of and related party to HEALWELL with interest at prime plus 9% and maturity date of April 30, 2024;
- $4,000 of convertible debenture units in HEALWELL consisting of $4,000 of convertibles debentures with five-year maturity and 10% interest coupon and 20,000,000 warrants. The $4,000 of convertible debentures and 20,000,000 warrants are convertible or exercisable into Class A Subordinate Voting shares of HEALWELL at $0.20 per share;
- a conditional call option to purchase up to 30,800,000 Class A Subordinate Voting shares of HEALWELL at $0.125 per share and 30,800,000 Class B Multiple Voting shares in HEALWELL at $0.0001 per share from the HEALWELL founders over time. The call option was not exercisable until both of the following trigger conditions had been met:
  (a) a capital raise threshold whereby HEALWELL has completed one or more public offerings or private placements for aggregate gross proceeds in cash of not less than $20,000 (including proceeds from its convertible debt financing that occurred on October 1, 2023); and
  (b) one or both of the following had occurred:
    i. two years from October 1, 2023 have elapsed; or
    ii. the consolidated Adjusted EBITDA of HEALWELL (based on the definition of Adjusted EBITDA adopted by the Company in its Management's Discussion and Analysis filed with the securities commissions) has been greater than zero for any two consecutive fiscal quarters following the effective date of October 1, 2023; and
- representation on HEALWELL's board of directors.

Total consideration paid by the Company in relation to the HEALWELL Transaction was $8,784, consisting of cash of $5,500 and shares of the Company with value of $3,284 on October 1, 2023. The convertible debentures plus warrants were accounted for as a standalone transaction for consideration of $4,000. The remaining consideration of $4,784 was allocated to the other assets based on their relative fair values at the date of acquisition including $2,864 to the clinical assets, $1,920 to the call option and $nil to the secured debt receivable. No consideration was allocated to the secured debt receivable as the Company was committed to forgiving the debt as soon as certain conditions were met. On June 29, 2024, the Company forgave the secured debt receivable plus accrued interest to that date in accordance with the terms of an agreement with HEALWELL.

In the fourth quarter of 2023, the Company acquired 958,333 Class A Subordinate Voting shares of HEALWELL for $700 as part of HEALWELL's bought deal equity financings. On February 1, 2024, the Company acquired an additional 21,682,465 Class A Subordinate Voting shares in HEALWELL with fair value of $14,961 as part of the consideration for the sale of Intrahealth to HEALWELL (Note

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

24(a)). As of December 31, 2024, the Company had a 13% economic interest and 14% voting interest in HEALWELL, inclusive of the impact of currently exercisable potential voting rights.

Based on all relationships with and interests in HEALWELL, the Company determined that it had significant influence over the operating and financial policies of HEALWELL as of October 1, 2023, December 31, 2023 and December 31, 2024 despite having less than 20% of the voting rights of HEALWELL, including currently exercisable potential voting rights. Accordingly, the Company's equity investment in HEALWELL has been accounted for using the equity method. The fair value of the Company's equity investment in HEALWELL was $47,772 as at December 31, 2024 (December 31, 2023 - $719) based on Level 1 observable inputs of the fair value hierarchy.

On April 1, 2024, the Company and HEALWELL founders amended the terms of the conditional call option to purchase HEALWELL shares such that it became exercisable, and the Company exercised the call option (Note 29).

The table below provides summarized annual consolidated financial information for HEALWELL as of and for the years ended December 31, 2024 and December 31, 2023. The information disclosed reflects the amounts presented in the financial statements of HEALWELL and not the Company's share of those amounts.

Summarized financial information	**December 31, 2024 $ '000**	December 31, 2023 $ '000
Current assets	**18,328**	22,756
Non-current assets	**107,207**	30,940
Total assets	**125,535**	53,696
Current liabilities	**(23,320)**	(9,421)
Non-current liabilities	**(28,543)**	(22,811)
Total liabilities	**(51,863)**	(32,232)
Net assets	**73,672**	21,464

	Period from January 1, 2024 to December 31, 2024 $ '000	Period from January 1, 2023 to December 31, 2023 $ '000
Revenue from continuing operations	**38,972**	7,317
Net loss from continuing operations	**(27,426)**	(32,141)
Net loss from discontinued operations	**(54)**	596
Net loss and comprehensive loss	**(27,483)**	(31,545)
WELL's share of net loss	**(3,830)**	(31)

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

(ii) Pillway

On December 2, 2020, the Company acquired a 25% equity interest in Pillway, a digital pharmacy that provides e-prescription products and services in Canada. Current equity ownership of the Company on Pillway is 18% as a result of equity financing by Pillway since the Company's initial investment. The table below provides summarized annual financial information for Pillway as of and for the years ended December 31, 2024 and 2023. The information disclosed reflects the amounts presented in the consolidated financial statements of Pillway and not the Company's share of those amounts.

Summarized financial information	**December 31, 2024 $ '000**	December 31, 2023 $ '000
Current assets	**7,484**	10,851
Non-current assets	**942**	556
Total assets	**8,426**	11,407
Current liabilities	**(885)**	(674)
Non-current liabilities	**(105)**	(404)
Total liabilities	**(990)**	(1,078)
Net assets	**7,436**	10,329
Revenue	**5,510**	3,148
Net loss	**(2,643)**	(1,512)
WELL's share of net loss	**(480)**	(378)

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

14. Property and Equipment

	Computer	Furniture and Fixtures	Medical Equipment	Leasehold Improvements	Construction in Progress	Right-of-use assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Closing net book value December 31, 2022	**2,073**	**1,496**	**11,788**	**12,139**	**59**	**54,980**	**82,535**
Additions	1,739	287	3,199	417	37	17,948	23,627
Acquired via business combinations (Note 24)	113	54	500	-	-	11,560	12,227
End of lease/Early terminations	-	-	-	-	-	(92)	(92)
Assets classified as held for sale (Note 25)	(56)	-	-	-	-	-	(56)
Exchange difference	71	30	18	7	-	(760)	(634)
Depreciation for the period	(1,608)	(177)	(1,909)	(822)	-	(10,551)	(15,067)
Closing net book value December 31, 2023	**2,332**	**1,690**	**13,596**	**11,741**	**96**	**73,085**	**102,540**
Additions	1,349	441	2,619	1,831	444	10,635	17,319
Acquired via business combinations (Note 24)	82	24	47	626	-	2,623	3,402
Lease remeasurement	-	-	-	-	-	743	743
Transfers	-	-	-	58	(58)	-	-
End of lease/Early terminations	-	-	-	-	-	(1,211)	(1,211)
PPA Finalization			722	-	-		722
Exchange difference	92	(54)	(418)	413	(2)	329	360
Depreciation for the period	(676)	(543)	(2,658)	(1,908)	-	(16,328)	(22,113)
Closing net book value December 31, 2024	3,179	1,558	13,908	12,761	480	69,876	101,762
As at December 31, 2024:							
Cost	8,513	3,709	22,449	17,134	480	116,423	168,708
Accumulated depreciation	(5,334)	(2,151)	(8,541)	(4,373)	-	(46,547)	(66,946)
	3,179	**1,558**	**13,908**	**12,761**	**480**	**69,876**	**101,762**

The Company had the following classes of right-of-use assets as of December 31, 2024 and 2023. Net book values and depreciation amounts by class for the years ended December 31, 2024 and 2023 are as follows:

	For the years ended December 31, 2024	December 31, 2023
	$'000	$'000
Office and clinics premises	**66,103**	72,968
Office and medical equipment	**3,773**	117
Net book value	**69,876**	73,085

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

	For the years ended December 31, 2024 $'000	December 31, 2023 $'000
Office and clinics premises	**15,026**	10,438
Office and medical equipment	**1,302**	113
Depreciation	**16,328**	10,551

15. Intangible Assets and Goodwill

	Customer relationships $'000	Technology $'000	Brands $'000	Licences $'000	Intangibles Total $'000	Goodwill $'000
COST						
Balance at December 31, 2022	**432,004**	**31,308**	**9,920**	**182,513**	**655,745**	**499,290**
PPA finalization	574	476	-	-	**1,050**	**(801)**
Acquired via business combination (Note 24)	48,329	-	4,959	-	**53,288**	**23,547**
Internally generated intangible assets	-	2,428	-	-	**2,428**	**-**
Assets classified as held for sale and other disposals	(25,327)	(3,854)	-	(752)	**(29,933)**	**(6,491)**
Exchange difference on foreign currency translation	(14,135)	(357)	(55)	-	**(14,547)**	**(7,484)**
Balance at December 31, 2023	**441,445**	**30,001**	**14,824**	**181,761**	**668,031**	**508,061**
Acquired via asset acquisitions (Note 24)	20,185	-	-	-	**20,185**	**-**
Acquired via business combination (Note 24)	9,023	2,993	-	-	**12,016**	**28,332**
Internally generated intangible assets	-	9,821	-	-	**9,821**	**-**
Exchange difference on foreign currency translation and other	46,011	1,068	631	-	**47,710**	**28,724**
Balance at December 31, 2024	**516,664**	**43,883**	**15,455**	**181,761**	**757,763**	**565,117**
ACCUMULATED AMORTIZATION						
Balance at December 31, 2022	**(77,330)**	**(5,788)**	**(1,360)**	-	**(84,478)**	**-**
Amortization for the period	(40,749)	(3,461)	(1,491)	-	**(45,701)**	**-**
Assets classified as held for sale and other disposals	8,328	2,120	-	-	**10,448**	**-**
Exchange difference on foreign currency translation	6,840	49	11	-	**6,900**	**-**
Balance at December 31, 2023	**(102,911)**	**(7,080)**	**(2,840)**	**-**	**(112,831)**	**-**
Amortization for the period	(46,014)	(3,182)	(997)	-	**(50,193)**	**-**
Exchange difference on foreign currency translation and other	(19,924)	(719)	(134)	**-**	**(20,777)**	**-**
Balance at December 31, 2024	**(168,849)**	**(10,981)**	**(3,971)**	**-**	**(183,801)**	**-**
NET CARRYING AMOUNTS						
As at December 31, 2023	**338,534**	**22,921**	**11,984**	**181,761**	**555,200**	**508,061**
As at December 31, 2024	**347,815**	**32,902**	**11,484**	**181,761**	**573,962**	**565,117**

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

The Company tests goodwill and indefinite life intangible assets for impairment on an annual basis as at September 30 and whenever events or changes in circumstances indicate that an asset's carrying amount may be less than its recoverable amount.

For impairment tests performed as at September 30, 2024 and September 30, 2023, the recoverable amount of each CGU or group of CGUs was determined based on its value-in-use using a discounted cash flow approach. Discounted cash flows were based on five-year cash flow projections derived from financial budgets or forecasts approved by management using the following key assumptions:

a) Average annual revenue growth rate

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

b) Discount rate

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

c) Terminal growth rate

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

Impairment tests as at September 30, 2024

The carrying values of goodwill and indefinite life intangible assets as well as key assumptions used for each CGU or group of CGUs for the impairment tests performed as at September 30, 2024 were as follows:

CGU or group of CGUs	**Carrying value of CGU or group of CGUs**	**Carrying value of goodwill in CGU or group of CGUs**	**Carrying value of indefinite life intangible assets in CGU or group of CGUs**	**Average annual revenue growth rate**	**Discount rate**	**Terminal growth rate**
	$'000	**$'000**	**$'000**			
WELL Clinics	115,032	71,325	-	11.4%	9.1%	3.0%
CRH Medical	497,759	267,101	-	5.0%	9.9%	3.0%
CRH Provider Staffing	39,166	10,854	-	11.8%	9.9%	3.0%
MyHealth	244,654	42,099	181,703	4.8%	9.5%	3.0%
Circle Medical	47,017	21,226	-	29.0%	11.6%	3.0%
Wisp	84,784	68,059	-	25.1%	12.1%	3.0%
Provider Solutions	79,261	61,017	-	14.4%	10.1%	3.0%
Cybersecurity	18,271	14,040	-	9.2%	10.5%	3.0%

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

a) Impairment test results:

The Company did not recognize an impairment loss related to goodwill or intangible assets in 2024 because the recoverable amounts of the Company's CGUs or groups of CGUs, as applicable, exceeded their carrying values.

b) Sensitivity analysis:

For the impairment tests performed as at September 30, 2024, the Company determined that a reasonably possible change in each key assumption, including possible consequential changes between key assumptions, would not result in an impairment loss except for the Cybersecurity and MyHealth CGUs.

The estimated recoverable amount of the Cybersecurity and MyHealth CGUs exceeded their carrying values by $6,828 and $26,335, respectively. If the assumptions used in the impairment tests were changed by a relative amount greater than as presented in the following table, the changes would, in isolation, lead to an impairment loss being recognized for the year ended December 31, 2024:

	Change required for carrying value to equal recoverable amount	
	Cybersecurity	MyHealth
Average annual growth rate	-1.30%	-0.59%
Discount rate	3.24%	0.74%

Subsequent to the impairment tests performed as at September 30, 2024, the Company identified indicators of impairment for the Circle Medical CGU, primarily relating to changes in expected revenues and cash flows. The Company conducted an impairment test as at December 31, 2024. Based on the results of the test, the recoverable amount of the Circle Medical CGU exceeded its carrying value and no impairment loss was recognized for the year ended December 31, 2024.

Impairment tests as at September 30, 2023

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

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

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

a) Impairment test results:

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

For the CRH CGU, the Company performed the goodwill impairment test as of September 30, 2023 excluding the carrying value of CarePlus Medical Corporation ("CPMC") which was acquired on July 1, 2023 (Note 24(b)). The Company finalized the purchase price allocations for CPMC in the fourth quarter of 2023. Based on the valuation procedures performed and absence of indicators of impairment as of December 31 2023, the Company concluded that the recoverable amount exceeded the carrying value as of December 31, 2023.

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

b) Sensitivity analysis:

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

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

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

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

16. Deferred Revenue

	December 31, 2024 $'000	December 31, 2023 $'000
Balance, beginning of period	**6,903**	7,200
Acquired via business combinations (Note 24)	**-**	82
Billings	**82,479**	27,055
Classified as held for sale (Note 25)	**-**	(221)
Revenue recognized	**(32,567)**	(27,213)
Exchange difference	**2,635**	-
Balance, end of period	**59,450**	6,903
Current	**59,450**	6,648
Non-current	**-**	255
Balance, end of period	**59,450**	6,903

Deferred revenue represents cash received by the Company from customers for which either goods or services have not yet been delivered or the required IFRS criteria for revenue recognition have otherwise not been met.

Deferred revenue as at December 31, 2024 includes amounts billed relating to the Company's Circle Medical operating segment of $53,949 and other operating segments of $5,501 (December 31, 2023 – Circle Medical of $nil and other of $6,903). During the year ended December 31, 2024, Circle Medical received cash of $53,949 from customers for patient services rendered and recognized it as deferred revenue as at December 31, 2024 as it has not met criteria related to the right to payment under IFRS 15, "Revenue from Contracts with Customers" (Note 26).

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

17. Deferred Acquisition Costs and Other Liabilities

(a) Deferred acquisition costs

Deferred acquisition costs are liabilities for time-based earnout payments that are treated as purchase consideration for business combinations and asset acquisitions (Note 24).

	December 31, 2024 $'000	December 31, 2023 $'000
Current	**14,585**	14,493
Non-current	**16,354**	22,578
	30,939	37,071

	$'000
Balance at December 31, 2022	38,497
Additions via business combinations and asset acquisitions (Note 24)	5,791
Accretion of discount	1,283
Settlement in cash	(9,560)
Settlement in common shares	(12,375)
Loss on settlement via shares	1,172
Loss on revaluation included in time-based earnout expense	12,469
Exchange difference	(206)
Balance at December 31, 2023	**37,071**
Additions via business combinations and asset acquisitions (Note 24)	4,530
Accretion of discount	735
Settlement in cash	(7,542)
Settlement in common shares	(6,899)
Loss on settlement via shares	175
Loss on revaluation included in time-based earnout expense	3,029
Exchange difference and other	(160)
Balance at December 31, 2024	**30,939**

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

(b) Other labilities

	December 31, 2024 $'000	December 31, 2023 $'000
Current:		
Working capital holdback	**2,601**	688
Time-based earnouts	**6,040**	7,083
Income tax payable	**661**	862
Payroll liabilities and others	**18,680**	12,454
	27,982	21,087
Non-current:		
Others	**2,292**	3,577

(c) Advances payable

During the year ended December 31, 2024, the Company received cash advance payments of $165,441 (2023 - $nil), from CRH Medical Corporation's ("CRH") third-party billing service provider. The advance payments were paid under a temporary funding assistance program to provide funding relief to CRH after the billing service provider experienced a cybersecurity attack and system shutdown and was unable to process billings or payments from CRH's customers. Amounts provided under this program are subject to repayment at a future date to be mutually agreed to by the billing service provider and CRH and have been recorded as advances payable on the Company's consolidated statements of financial position. The Company has not repaid any advances as of December 31, 2024. Subsequent to December 31, 2024, the Company repaid $35,650 (US$25,000) of the advances from the billing service provider, leaving a remaining balance outstanding of $129,467 (US$89,977) as of April 11, 2025.

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

18. Loans and Borrowings, Convertible Debentures and Redeemable Preferred Shares

(a) Syndicated credit facilities

	December 31, 2024	December 31, 2023 (reclassified - Note 3(q))	January 1, 2023 (reclassified - Note 3(q))
	$'000	$'000	$'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

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

The Company, through its wholly-owned subsidiaries, holds a syndicated four-year credit facility with JPM as syndicate lead which provides up to US$175 million in borrowing capacity and access to an accordion feature that increases the amount of the credit available to the Company by US$125 million. Until March 26, 2023, interest on the facility was calculated with reference to 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 new term loan has a US$688 quarterly repayment requirement with the first repayment paid on March 31, 2023 as well as additional potential repayment requirements based on excess cash flow, dependent on the total leverage ratio of the consolidated financial results of CRH.

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)).

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

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

The Company, through its wholly-owned subsidiaries, WHCC and MyHealth, holds a syndicated five-year revolving credit facility and a term loan with RBC as syndicate lead which provides up to $90 million revolving facility, a $50 million term loan facility and access to an accordion feature that increases the amount of the credit available to the Company by $60 million. Interest on the facility is calculated with reference to 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)" (Note 3(r)). 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).

(iii) Financial covenants

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.

(iv) Minimum principal repayments:

Total minimum principal repayments under the syndicated credit facilities were as follows as at December 31, 2024:

	CRH (JPM) $'000	**WHCC and MyHealth (RBC) $'000**
2025	3,957	2,500
2026	3,957	2,500
2027	191,939	87,575
	199,853	**92,575**

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

(b) 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 totalled $3,890. Financing costs were allocated based on the relative values of the liability and equity components at initial recognition. The allocated costs were netted against each component. Interest on the net liability component is determined using the effective interest method (19.63% annualized) and accreted over the term of the debentures.

	$'000
Balance as of December 31, 2022	**44,679**
Interest accretion	8,592
Interest paid	(3,850)
Balance as of December 31, 2023	**49,421**
Interest accretion	9,523
Interest paid	(3,850)
Balance as of December 31, 2024	**55,094**
Current (Interest payable within one year)	**3,850**
Non-current	**51,244**
	55,094

(c) Redeemable preferred shares

On December 11, 2024, the Company's subsidiary, WELLSTAR Technologies Corp. ("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 a variable number of subordinate voting shares of WELLSTAR at a discounted price 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.

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

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.

19. Leases

(a) Lease liability

The Company's lease liability as at December 31, 2024 and 2023 was as follows**:**

	December 31, 2024	December 31, 2023
	$'000	$'000
Current	**18,651**	14,869
Non-current	**61,079**	66,392
Total lease liability	**79,730**	81,261

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

As at December 31, 2024, the Company had rental contracts for 131 properties (2023 – 109), with an average remaining life to expiry (including extension term) of 5.30 years (2023 – 6.20 years). As at December 31, 2024, the Company had 6 leases (2023 – 6) with an average term of 4.20 years (2023 – 5.47) for office and medical equipment, and with an average remaining life of 1.77 years to the end of lease (2023 – 0.77 years).

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

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

	$'000
Balance at December 31, 2022	61,263
Exchange difference	(158)
New leases	18,319
Acquisitions during 2023 (Note 24)	12,671
Terminations	(98)
Interest accretion (Note 7)	2,798
Lease cash payments	(13,410)
Classified as held for sale (Note 25)	(124)
Balance at December 31, 2023	**81,261**
Exchange difference	230
New leases	10,636
Acquisitions during 2024 (Note 24)	2,623
Lease re-measurement	743
Terminations	(654)
Interest accretion (Note 7)	3,672
Lease cash payments	(18,781)
Balance at December 31, 2024	**79,730**

During the year ended December 31, 2024, the Company recognized $16,328 (2023 - $10,551) of depreciation expense related to right-of-use assets – see Note 14 for further information.

As at December 31, 2024, the minimum rent payments under lease liabilities were as follows:

	$'000
Not later than one year	20,930
Later than one year and not later than five years	54,395
Beyond 5 years	14,674
	89,999

(b) Lease receivable

The Company's lease receivable as at December 31, 2024, and 2023 was as follows:

	December 31, 2024 $'000	December 31, 2023 $'000
Current	**879**	1,107
Non-current	**1,400**	1,852
Total lease receivable	**2,279**	2,959

Rental contracts for office subleases are typically made for fixed periods of 2 to 14 years but may have extension options ranging from 5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. As at December 31, 2024 and

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

2023, the Company had rental contracts for 13 properties (2023 – 13), with an average remaining life to expiry (including extension term) of 3.19 years (2023 – 4.12 years).

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

	$'000
Balance at December 31, 2022	2,448
New leases	376
Acquisitions during 2023 (Note 24)	956
Interest accretion (Note 7)	126
Lease payments received	(824)
Classified as held for sale (Note 25)	(123)
Balance at December 31, 2023	**2,959**
Interest accretion (Note 7)	127
Lease payments received	(807)
Balance at December 31, 2024	**2,279**

As at December 31, 2024, the minimum rent payments expected to be received under lease receivables were as follows:

	$'000
Year 1	970
Year 2	385
Year 3	328
Year 4	159
Year 5	126
Year 6 +	722
	2,690

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

20. Income Taxes

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

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Current tax expense:		
Current period	**7,814**	6,060
Adjustment for prior periods	**1,416**	6,625
	9,230	12,685
Deferred tax (recovery) expense:		
Origination and reversal of temporary differences	**(14,599)**	(4,767)
Change in recognition of tax losses and deductible temporary differences	**(15,094)**	(4,710)
Change in tax rate	**359**	(348)
	(29,334)	(9,825)
Income tax (recovery) expense	**(20,104)**	2,860

(b) Income tax rate reconciliation

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

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Income before income tax	**8,992**	19,497
Canadian statutory income tax rate	**27%**	27%
Expected income tax expense on income before tax	**2,428**	5,264
Adjusted for the effects of:		
Change in valuation allowance	**(5,067)**	(3,346)
Stock-based compensation	**971**	5,507
Other items not includable or deductible for tax purposes	**2,883**	5,131
Foreign rate differences	**(636)**	(31)
Effects of tax rate changes	**(532)**	(356)
Change in fair value of investments	**(13,754)**	(5,662)
Adjustments for prior periods and other	**(3,617)**	582
Income attributable to non-controlling interests	**(2,780)**	(4,229)
Income tax (recovery) expense	**(20,104)**	2,860

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

(c) Recognized deferred tax assets (liabilities)

As at December 31, 2024, the Company had net recognized deferred tax (liabilities) assets related to its operations. The Company has recorded deferred income tax assets as it is probable that the benefits of these assets will be realized. Movement in the deferred tax balances is recorded in the consolidated statements of income and in business combinations as described in Note 24. The following table summarizes the Company's recognized deferred tax (liabilities) assets as at December 31, 2024 and 2023:

	December 31, 2024 $'000	December 31, 2023 $'000
Deferred tax assets:		
Non-capital loss carry forwards	**46,888**	10,078
Property and equipment	**1,806**	1,025
Share and debt transaction costs	**-**	35
Accrued interest	**22,363**	14,925
ROU assets, lease receivable, and lease liabilities	**863**	791
Contingent liability	**-**	438
Stock-based compensation	**2,559**	2,244
Other	**856**	1,544
Deferred tax liabilities:		
Intangible assets	**(44,357)**	(44,431)
Liabilities associated with assets held for sale (Note 25)	**-**	662
Investments	**(20,610)**	(5,662)
Other	**(502)**	(136)
Net deferred tax assets (liabilities)	**9,866**	(18,487)

(d) Unrecognized deferred tax assets

As at December 31, 2024, the Company also had unrecognized deferred tax assets related to its operations. These deferred tax assets have not been recognized in the consolidated statements of financial position because of the significant uncertainty regarding whether such benefits will be realized. The following table summarizes the Company's deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets were recognized as at December 31, 2024 and December 31, 2023:

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

	December 31, 2024 $'000	December 31, 2023 $'000
Non-capital loss carry forwards	**21,309**	44,006
Capital loss carry forwards	**-**	4,641
Property and equipment	**5,948**	5,432
Share and debt transaction costs	**-**	1,839
ROU Assets, lease receivable, and lease liabilities	**2,790**	2,405
Convertible debentures	**14,026**	8,353
Charitable donations	**154**	102
Unrecognized deferred tax assets	**44,227**	66,778

(e) Non-capital losses

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

	Canada $'000	United States $'000	Total $'000
2032	-	-	-
2033	75	-	75
2034	588	-	588
2035	98	-	98
2036	163	-	163
2037	151	-	151
2038	1,405	-	1,405
2039	3,619	-	3,619
2040	9,703	-	9,703
2041	18,996	-	18,996
2042	32,659	-	32,659
2043	20,349	-	20,349
2044	23,367	-	23,367
Unlimited	-	70,238	70,238
Total	**111,173**	**70,238**	**181,411**

21. Share Capital

(a) Authorized

Unlimited common shares without par value.

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

(b) Issued Common Shares

As at December 31, 2024, the issued share capital consisted of 249,091,940 (December 31, 2023 – 241,427,825) common shares.

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

On June 6, 2024, the Company received approval from the TSX for a renewal of the NCIB that expired on June 4, 2024. Under the renewed NCIB, the Company may acquire up to an aggregate of 6,154,501 common shares from June 10, 2024 to June 9, 2025. In accordance with TSX rules, daily purchases made by the Company on the TSX will not exceed 209,016 common shares, subject to certain prescribed exemptions, being 25% of the average daily trading volume over the preceding six calendar months of 836,067 common shares. On January 16, 2025, the current NCIB program was cancelled due to the TSX approved broker deciding to wind down its operations and cease executing trade orders. As of January 15, 2025, 127,000 common shares have been purchased under the prior NCIB, and 298,500 common shares have been purchased under the current NCIB.

(d) Options to purchase common shares

(i) Movement in stock options

The changes in stock options during the years ended December 31, 2024 and December 31, 2023 were as follows:

	2024		2023	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Balance outstanding, beginning of year	**1,980,873**	**1.79**	3,054,041	1.74
Options granted	**-**	**-**	-	-
Options exercised	**(1,615,373)**	**(1.53)**	(890,157)	(0.78)
Options expired	**-**	**-**	(17,351)	(5.98)
Options forfeited	**-**	**-**	(165,660)	(2.77)
Balance outstanding, end of period	**365,500**	**2.89**	1,980,873	1.79

During the years ended December 31, 2024 and 2023, the Company recognized stock-based compensation expense of $639 and $703 respectively, relating to stock options in the audited annual consolidated statements of income.

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

The following table summarizes information relating to outstanding and exercisable stock options of the Company as at December 31, 2024:

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

Exercise price $	Options outstanding	Options exercisable	Weighted average remaining contractual life (years)
2.24	110,000	110,000	0.35
3.06	100,000	56,250	2.75
3.25	155,500	155,500	0.58
	365,500	**321,750**	**1.10**

The weighted average exercise price of options exercisable as at December 31, 2024 was $2.87 (December 31, 2023 - $1.68).

(e) Restricted Share Units ("RSUs")

The changes in RSUs during the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
	Number of RSUs	Number of RSUs
Balance outstanding, beginning of year	**5,065,068**	3,884,965
Units granted	**1,595,437**	4,397,284
Units forfeited	**(552,059)**	(265,336)
Units vested	**(2,737,544)**	(2,951,845)
Balance outstanding, end of period	**3,370,902**	5,065,068

During the years ended December 31, 2024 and 2023, the Company recognized stock-based compensation expense of $8,906 and $17,341, respectively, relating to RSUs in the audited annual consolidated statements of income.

(f) Performance Share Units ("PSUs")

The changes in PSUs during the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
	Number of PSUs	Number of PSUs
Balance outstanding, beginning of year	**3,401,645**	2,946,088
Units granted	**801,828**	2,150,174
Units vested	**(1,389,361)**	(1,307,962)
Units forfeited	**(353,663)**	(386,655)
Balance outstanding, end of period	**2,460,449**	3,401,645

During the years ended December 31, 2024 and 2023, the Company recognized stock-based compensation expense of $5,725 and $8,118, respectively, relating to PSUs in the audited annual consolidated statements of income.

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

22. Related Party Balances and Transactions

(a) 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 consists of the Company's Board of Directors and certain members of the senior executive team. Key management personnel are the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO"). The remuneration of the Company's key management personnel during the years ended December 31, 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). For 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 and December 31, 2023 is $11,804 ($7,099 from the CEO, $2,433 from the CFO, and $2,272 from the COO) and $6,808 ($4,231 from the CEO, $1,531 from the CFO, and $1,046 from the COO), respectively, of receivables from related parties. These receivables were related to payroll taxes on stock issuance with respect to the RSUs for 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 (Note 18(c)), WELLSTAR issued Series A Preferred Shares to certain members of key management personnel for gross proceeds of $1,545.

(b) Related party balances and transactions with HEALWELL

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

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

	December 31, 2024 $'000	December 31, 2023 $'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 (Note 24(a)) and recognized it as deferred 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.

23. Segment Reporting

The Company is organized into operating segments based on its product and service offerings. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Effective January 1, 2023, the Company updated its reportable segments to split its former Virtual Services reportable segment into three reportable segments, Circle Medical, Wisp and

SaaS and Technology Services, after a change in organizational structure and a corresponding change in internal reporting to the chief operating decision-maker. During the fourth quarter ended December 31, 2023 after the acquisition of CarePlus Medical Corporation on July 1, 2023, the Company split its CRH reportable segment into two reportable segments, CRH Medical and Provider Staffing. The Company now has seven reportable segments as shown below that are grouped into three key business units: Canadian Patient Services, WELL Health USA Patient and Provider Services and SaaS and Technology Services.

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

Effective January 1, 2024, the Company revised its segment profit measure from “Segment profit (loss) before tax, interest and depreciation and amortization” to Adjusted EBITDA to align with the internal metric that is provided to the chief operating decision-maker from that date forward. Adjusted EBITDA is defined as net income 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.

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

For the year ended December 31, 2024

	<- Canadian Patient Services ->			<- WELL Health USA Patient and Provider Services ->								
	Primary	Specialized - WDC	**Total**	Primary - Circle Medical	Primary - WISP	Specialized - CRH Medical	Specialized - Provider Staffing	**Total**	SAAS and Technology Services	**Total - All segments**	Corporate / Elimination	**Grand total**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**
Total segment revenue	191,885	127,557	**319,442**	76,304	100,967	234,722	123,133	**535,126**	72,871	**927,439**	15,903	**943,342**
Inter-segment revenue	(307)	-	**(307)**	-	-	(210)	(2,672)	**(2,882)**	(4,562)	**(7,751)**	(15,903)	**(23,654)**
Revenue from external customers	191,578	127,557	**319,135**	76,304	100,967	234,512	120,461	**532,244**	68,309	**919,688**	-	**919,688**
Cost of sales	(132,734)	(48,433)	**(181,167)**	(60,438)	(27,218)	(154,600)	(108,497)	**(350,753)**	(22,496)	**(554,416)**	(2,261)	**(556,677)**
Salaries and benefits	(27,360)	(36,052)	**(63,412)**	(20,259)	(11,097)	(19,336)	(1,402)	**(52,094)**	(22,883)	**(138,389)**	(10,453)	**(148,842)**
Marketing and promotion	(895)	(547)	**(1,442)**	(27,817)	(52,536)	(1,095)	(113)	**(81,561)**	(627)	**(83,630)**	(969)	**(84,599)**
Other G&A	(18,997)	(13,418)	**(32,415)**	(19,209)	(5,076)	(10,933)	(1,408)	**(36,626)**	(6,689)	**(75,730)**	(7,175)	**(82,905)**
Operating expenses	(179,986)	(98,450)	**(278,436)**	(127,723)	(95,927)	(185,964)	(111,420)	**(521,034)**	(52,695)	**(852,165)**	(20,858)	**(873,023)**
Adjusted EBITDA	11,592	29,107	**40,699**	(51,419)	5,040	48,548	9,041	**11,210**	15,614	**67,523**		

For the year ended December 31, 2023

	<- Canadian Patient Services ->			<- WELL Health USA Patient and Provider Services ->								
	Primary	Specialized - WDC	**Total**	Primary - Circle Medical	Primary - WISP	Specialized - CRH Medical	Specialized - Provider Staffing	**Total**	SAAS and Technology Services	**Total - All segments**	Corporate / Elimination	**Grand total**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**
Total Segment Revenue	119,214	111,315	**230,529**	96,621	77,875	249,420	55,418	**479,334**	73,182	**783,045**	16,943	**799,988**
Inter-segment revenue	(148)	-	**(148)**	-	-	(149)	(2,266)	**(2,415)**	(4,428)	**(6,991)**	(16,943)	**(23,934)**
Revenue from external customers	119,066	111,315	**230,381**	96,621	77,875	249,271	53,152	**476,919**	68,754	**776,054**	-	**776,054**
Cost of sales	(79,170)	(39,775)	**(118,945)**	(44,360)	(24,131)	(143,185)	(47,967)	**(259,643)**	(22,322)	**(400,910)**	(2,877)	**(403,787)**
Salaries and benefits	(18,913)	(32,671)	**(51,584)**	(17,439)	(8,328)	(16,683)	(429)	**(42,879)**	(25,115)	**(119,578)**	(8,644)	**(128,222)**
Marketing and promotion	(852)	(796)	**(1,648)**	(19,366)	(40,092)	(1,431)	(42)	**(60,931)**	(603)	**(63,182)**	(1,107)	**(64,289)**
Other G&A	(13,016)	(12,103)	**(25,119)**	(12,419)	(3,821)	(9,153)	(1,035)	**(26,428)**	(7,839)	**(59,386)**	(6,976)	**(66,362)**
Operating expenses	(111,951)	(85,345)	**(197,296)**	(93,584)	(76,372)	(170,452)	(49,473)	**(389,881)**	(55,879)	**(643,056)**	(19,604)	**(662,660)**
Adjusted EBITDA	7,115	25,970	**33,085**	3,037	1,503	78,819	3,679	**87,038**	12,875	**132,998**		

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

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

	Years ended	
	December 31, 2024	December 31, 2023
	$'000	$'000
Adjusted EBITDA - all segments	**67,523**	132,998
Corporate expenses	**(20,858)**	(19,604)
Depreciation and amortization	**(72,306)**	(60,768)
Interest expense	**(37,616)**	(33,603)
Interest income	**1,272**	763
Rent expense on finance leases	**16,512**	11,283
Stock-based compensation	**(15,270)**	(26,162)
Foreign exchange gain	**570**	636
Time-based earnout expense	**(7,458)**	(21,412)
Change in fair value of investments	**101,484**	42,560
Gain on disposal of assets and investments	**11,817**	1,570
Share of net loss of associates	**(4,341)**	(378)
Transaction, restructuring and integration expenses	**(11,401)**	(4,407)
Legal settlements and defense costs	**(20,183)**	(2,181)
Other items	**(753)**	(1,798)
Net income before income tax	**8,992**	19,497

Geographic information

Revenue by geographic location of customers and Non-current assets other than financial instruments and deferred tax assets by location are summarized as follows. For the years ended December 31, 2024 and 2023:

	US		**Canada and others**		**Canada (Corporate / Shared services)**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Total Segment Revenue	**535,126**	479,334	**392,313**	303,711	**15,903**	16,943	**943,342**	799,988
Inter-segment revenue	**(2,882)**	(2,415)	**(4,869)**	(4,576)	**(15,903)**	(16,943)	**(23,654)**	(23,934)
Revenue from external customers	**532,244**	476,919	**387,444**	299,135	**-**	-	**919,688**	776,054
Non-current assets other than financial instruments and deferred tax assets	**635,571**	666,908	**603,857**	498,806	**21,586**	11,022	**1,261,014**	1,176,736

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

24. Business Combinations, Asset Acquisitions and Disposals

The Company completed multiple business combinations and asset acquisitions during the years ended December 31, 2024 and 2023.

The purchase price of these acquisitions was satisfied through, where applicable:

(i) cash paid to the vendor, net of working capital adjustments;
(ii) fair value of common shares of the Company issued to the vendor, determined at the opening share price on the date of the issuance;
(iii) fair value of common shares of a Company subsidiary issued to the vendor, determined as of the date of the issuance;
(iv) working capital/indemnification holdback; and
(v) deferred purchase consideration in the form of time-based earnout payments that is treated as a deferred acquisition cost.

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

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

a) 2024 Acquisitions and Disposals:

2024 Acquisitions
During the year ended December 31, 2024, the Company acquired interests in the following companies:

Company name	Date of Acquisition	Business/asset acquisition	% Ownership	Place of incorporation	Line of business
Wilson Centre Family Practice	May 1, 2024	Business	100%	Canada	Canadian Patient Services – Primary
The Health Clinic by Shoppers	June 1, 2024	Business	100%	Canada	Canadian Patient Services – Primary
Medical Associates of Meadowvale	June 1, 2024	Business	100%	Canada	Canadian Patient Services – Primary
0741405 B.C. Ltd. , 0783808 B.C. Ltd. , and 0899864 B.C. Ltd., ("Pacific Medical")	September 1, 2024	Business	100%	Canada	Canadian Patient Services – Primary
S.J. Stemplowski Psychotherapy Professional Corporation	September 1, 2024	Business	100%	Canada	Canadian Patient Services – Primary
Ninja Professional Corporation, C-Health Partners Inc. ("C-Health")	October 1, 2024	Business	51%	Canada	Canadian Patient Services – Primary

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

North Denver Anesthesia Associates, LLC ("NDAA")	November 1, 2024	Asset	100%	US	WELL Health USA Patient and Provider Services – Specialized CRH
Microquest Inc. ("MQS")	December 1, 2024	Business	100%	Canada	SaaS and Technology Services
Physicians for You Recruitments Ltd. ("PFY")	December 1, 2024	Business	51%	Canada	Canadian Patient Services – Primary
HealthPark Medical Clinics Inc. ("HMC")	December 1, 2024	Business	100%	Canada	Canadian Patient Services – Primary
Jack Nathan Medical Clinics ("JNM")	December 1, 2024	Business	100%	Canada	Canadian Patient Services – Primary
BlueBird IT Solutions Inc. ("BBS")	December 1, 2024	Business	51%	Canada	SaaS and Technology Services
19th & Lonsdale Medical Corporations	December 1, 2024	Business	100%	Canada	Canadian Patient Services – Primary

The following table summarizes the fair value of the purchase consideration and the estimated fair values of assets and liabilities acquired at the acquisition dates for business combinations and asset acquisitions that occurred during the year ended December 31, 2024. Purchase price allocations have been classified as "Final" or "Provisional"/"Prov" based on the status of the work performed by the Company to determine net working capital or other adjustments and the fair value of the assets acquired and liabilities assumed at the acquisition date. The Company may adjust preliminary purchase price allocations, as necessary, up to one year after the acquisition closing date as new information is obtained about facts and circumstances that existed as of the closing date.

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

	NDAA Final $'000	BBS Prov. $'000	MQS Prov. $'000	JNM Prov. $'000	Other* Prov. $'000	Total $'000
Cash	10,170	3,293	13,250	5,000	7,097	38,810
Fair value of subsidiary's shares issued at closing	-	3,896	-	-	-	3,896
Working capital holdback	-	964	846	-	524	2,334
Deferred acquisition cost (Note 17(a))	-	244	1,971	-	2,315	4,530
Acquisition-related transaction cost	124	-	-	-	-	124
Purchase consideration	**10,294**	**8,397**	**16,067**	**5,000**	**9,936**	**49,694**
Assets and liabilities acquired						
Cash	-	66	297	-	1,374	1,737
Accounts receivable and other current assets	-	1,223	715	-	1,301	3,239
Other current assets	-	85	63	-	58	206
Property and equipment	-	-	-	571	208	779
Right of use asset	-	-	-	-	2,623	2,623
Accounts payable	-	(563)	(147)	-	(1,719)	(2,429)
Other current liabilities	-	-	(102)	(54)	(234)	(390)
Lease liabiltiies	-	-	-	-	(2,623)	(2,623)
Deferred tax liability	-	(921)	(2,341)	-	-	(3,262)
Non-controlling interest	(9,891)	(397)	-	-	(431)	(10,719)
Exclusive professional services agreement ("PSA") (Note 15)	20,185	-	-	-	-	20,185
Technology (Note 15)	-	-	2,993	-	-	2,993
Customer relationship (Note 15)	-	3,409	5,614	-	-	9,023
Goodwill (Note 15)	-	5,495	8,975	4,483	9,379	28,332
	10,294	**8,397**	**16,067**	**5,000**	**9,936**	**49,694**
PSA amortization term	15 years					

* PFY, Pacific Medical, The Health Clinic by Shoppers, C-Health, 19th & Lonsdale Medical Corporations, Wilson, Grounding, HMC, Medical Associates of Meadowvale

For the year ended December 31, 2024, goodwill of $13,862 acquired in business combinations within the Canadian Patient Services segment is primarily attributable to acquired workforces, expansion of market share, and expected synergies to be realized within the Company's clinic network. Of the total goodwill acquired, $7,494 is deductible for tax purposes.

For the year ended December 31, 2024, goodwill of $14,470 acquired in business combinations within the SaaS and Technology Services segment primarily relates to the acquired workforces and expected synergies to be realized from integrating the acquired technologies into the Company's platforms. The goodwill is not deductible for tax purposes.

Revenue and net income for acquired businesses included in the Company's audited annual consolidated financial statements for the year ended December 31, 2024, from the date of acquisition of each business are as follows:

	NDAA $'000	BBS $'000	MQS $'000	JNM $'000	Other $'000
Revenue	1,008	670	499	869	16,392
Net income	322	99	59	181	443

The Company has not disclosed pro forma revenue and net income for the year ended December 31, 2024, as if the acquisitions had occurred on January 1, 2024, because it is impracticable to do so. The financial records of certain acquired companies were not maintained in a manner that allows for the preparation of IFRS-compliant financial information for the full year without undue effort or cost.

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

2024 Disposals

On February 1, 2024, the Company completed the sale of Intrahealth, an EMR provider within the Company's SaaS and Technology Services reportable segment, to HEALWELL for total consideration of $24,361 consisting of cash of $3,152, shares in HEALWELL with fair value of $14,961, a holdback receivable of $606 and other deferred payments of $5,642. The gain on disposal before tax was $11,750.

b) 2023 Acquisitions and Disposals

2023 Acquisitions

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

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

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

The following table summarizes the fair value of the purchase consideration and the estimated fair values of assets and liabilities acquired at the acquisition dates for business combinations and asset acquisitions that occurred during the year ended December 31, 2023.

	ATAA	TMBA	MCI AB	LSAA	CPMC	SKT	Other*			Total
		Final	Final		Final	Final	Prov.	Adj.	Final	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash	6,173	263	1,000	11,104	48,098	-	2,510	757	3,267	69,905
Fair value of WELL shares issued at closing	-	270	504	-	-	1,708	1,364	-	1,364	3,846
Fair value of subsidiary's shares issued at closing	-	-	-	-	-	3,000	800	-	800	3,800
Working capital holdback	-	229	172	-	-	10	431	-	431	842
Deferred acquisition cost (Note 17(a))	-	1,290	-	1,194	-	2,221	1,086	-	1,086	5,791
Acquisition-related transaction cost	168	-	-	109	-	-	-	-	-	277
Purchase consideration	**6,341**	**2,052**	**1,676**	**12,407**	**48,098**	**6,939**	**6,191**	**757**	**6,948**	**84,461**
Assets and liabilities acquired										
Cash	-	132	(25)	-	1,905	311	686	-	686	3,009
Accounts receivable and other current assets	-	117	355	-	14,746	679	442	-	442	16,339
Other current assets	-	-	138	-	277	75	80	-	80	570
Lease receivable	-	-	305	-	-	-	651	-	651	956
Property and equipment	-	-	-	-	167	-	500	722	1,222	1,389
Right of use asset	-	-	747	-	286	212	10,315	-	10,315	11,560
Accounts payable	-	(16)	(791)	-	(5,909)	(103)	(162)	-	(162)	(6,981)
Unearned revenue	-	-	-	-	-	(82)	-	-	-	(82)
Other current liabilities	-	(100)	(6)	-	-	(250)	(228)	35	(193)	(549)
Lease liabiltiies	-	-	(1,203)	-	(290)	(212)	(10,966)	-	(10,966)	(12,671)
Deferred tax liability	-	(274)	-	-	1,984	(510)	(64)	-	(64)	1,136
Non-controlling interest	(6,062)	-	-	-	(925)	-	(63)	-	(63)	(7,050)
Exclusive professional services agreement	12,403	-	-	12,407	20,269	-	-	-	-	45,079
Brand (Note 15)	-	-	-	-	4,959	-	-	-	-	4,959
Customer relationship (Note 15)	-	1,084	-	-	-	1,926	240	-	240	3,250
Goodwill (Note 15)	-	1,109	2,156	-	10,629	4,893	4,760	-	4,760	23,547
	6,341	**2,052**	**1,676**	**12,407**	**48,098**	**6,939**	**6,191**	**757**	**6,948**	**84,461**
PSA amortization term	15 years			10 years	10 years					

* PRO, MCI ON, BMC and MBC

For the year ended December 31, 2023, goodwill of $4,827 acquired in business combinations within the Canadian Patient Services segment is primarily attributable to acquired workforces, expansion of market share, and expected synergies to be realized within the Company's clinic network. Of the total goodwill recognized, $60 is deductible for tax purposes.

For the year ended December 31, 2023, goodwill of $8,091 acquired in business combinations within the SaaS and Technology Services segment primarily relates to the acquired workforces and expected synergies to be realized from integrating the acquired technologies into the Company's platforms. The goodwill is not deductible for tax purposes.

For the year ended December 31, 2023, goodwill of $10,629 acquired in the CarePlus business combination allocated to the Provider Staffing segment primarily relates to the acquired workforces and expected synergies to be realized from integrating operations. Goodwill of $16,980 is deductible for tax purposes.

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

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

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

If the acquisitions had occurred on January 1, 2023, consolidated pro-forma revenue and net income for the year ended December 31, 2023 would have been $880,050 and $11,929 respectively.

2023 Disposals

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

25. Assets Held for Sale

	December 31, 2024 $'000	December 31, 2023 $'000
Assets held for sale:		
Cash and cash equivalents	-	703
Accounts and other receivables	-	1,409
Lease receivable	-	123
Prepayments and other assets	-	104
Property and equipment	-	56
Intangible assets	-	3,232
Goodwill	-	8,581
	-	14,208
Liabilities associated with assets held for sale:		
Accounts payable and accrued liabilities	-	455
Unearned revenue	-	221
Lease liability	-	124
Deferred tax liabilities	-	662
Other liabilities	-	409
	-	1,871

In the fourth quarter of 2023, the Company committed to a plan to sell its subsidiary Intrahealth, the financial results of which are included within the SaaS and Technology Services reportable segment. Accordingly, assets and liabilities of Intrahealth were presented as held for sale as of December 31, 2023. Amounts were stated at carrying value as there was no impairment loss on the Intrahealth disposal group as of December 31, 2023. The sale of Intrahealth closed on February 1, 2024 (Note 24(a)).

26. Contingencies

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

Since November 2023, the Company's subsidiary WISP, Inc. ("WISP") has had two class actions and one mass arbitration filed against it, each alleging pixel tracking technologies deployed on WISP's website used to improve marketing and advertising initiatives, improperly collected and disclosed personal health information to third-party social media platforms (Meta Platforms Inc. dba Facebook, Google, Bing/Microsoft, and Tik Tok Inc.). WISP 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 in the amount of $2,090.

In September 2024, the Company's 70%-owned Delaware subsidiary, Circle Medical Technologies, Inc. ("Circle Medical"), received a Request for Information ("RFI") from the Civil Division of the United States Attorney's Office for the Northern District of California ("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. 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) (Note 16).

In 2024, the Company's subsidiary CRH Medical Corporation ("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 in the amount of $4,474.

27. Financial Instruments

a. Classification of financial instruments

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

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

	December 31, 2024	December 31, 2023
Financial assets at amortized cost	**$'000**	$'000
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

b. Fair value measurements

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

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

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

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

Financial instruments are classified based on the lowest level of input that is significant to the fair value measurement of the asset or liability. There were no transfers of fair value measurements between level 1, 2 and level 3 of the fair value hierarchy in the years ended December 31, 2024 and 2023.

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, advances payable and certain other assets and liabilities measured at amortized cost, approximate their carrying value due to the short-term maturities of these instruments.

The Company's loans and borrowings, which are mainly comprised of the JPM facility and the RBC facility (Note 18(a)), 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 (December 31, 2023 - $218,044 (US$164,860) for the JPM facility, and $81,775 for the RBC facility).

The fair value of the Company's convertible debentures, including the equity component, was $71,750 as of December 31, 2024, based on the Level 1 quoted market price of the convertible debentures on that date.

The fair value of the Company's redeemable preferred shares issued by its subsidiary, WELLSTAR, (Note 18(c)) is estimated to be $50,378 on December 31, 2024, equal to the gross proceeds received upon issuance on December 11, 2024 given the short period of time that has elapsed since the redeemable preferred shares were issued.

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 (Note 12).

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).

c. Financial risk management

Credit risk

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

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

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

As at December 31, 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) (Note 10).

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

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

	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 its billing service provider experienced a cyberattack and system shutdown in February 2024 and was unable to process claims or payments from CRH's customers for an extended period of time. The billing service provider subsequently restored claims submission and payment functionality and as of August 2024, CRH resumed regular processes. During the year ended December 31, 2024, the billing service provider made advance payments to CRH as funding relief as a result of delayed accounts receivable collections (Note 17(c)). 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	(5,603)
Net remeasurement of loss allowance	6,611
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.

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

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	-	-	-
Advances 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 have 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 (Note 18(a)). On March 3, 2023, the Company entered into a three-year interest rate swap agreement consisting of a series of pay-fixed interest rate swaps at a fixed interest rate of 4.68% (the hedging instrument) to hedge the variability of the cash flows attributable to changes in 1-month Term SOFR, the benchmark variable interest rate, on US$50,000 of debt outstanding under JPM credit facility (the hedged item).

On March 3, 2023, the Company designated the interest rate swap in a qualifying hedging relationship and applied hedge accounting as a cash flow hedge in accordance with its accounting policy described in Note 3. During the 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 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 $5,351 change in the Company's net income for the year ended December 31, 2024.

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

28. Cash Flow Information

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Change in non-cash operating items:		
Accounts and other receivables	**(80,254)**	(2,485)
Inventory	**(1,511)**	190
Prepayments and other current assets	**(4,434)**	(2,284)
Other non-current assets	**848**	(1,242)
Accounts payable and accrued liabilities	**36,417**	(9,212)
Deferred revenue	**52,504**	(158)
Other non-current liabilities	**(1,285)**	2,833
Other current liabilities	**4,387**	2,109
	6,672	(10,249)

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Equity and debt investments in associates and others:		
Equity investment in doctorly	**(73)**	(681)
Equity investment in Graphium	**-**	(388)
Equity investment in ORX	**-**	(250)
Convertible debt investment in HEALWELL	**-**	(4,000)
Equity investment in HEALWELL	**-**	(700)
Equity investment in Tali.ai	**-**	(622)
	(73)	(6,641)

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

	Years ended December 31, 2024 $'000	December 31, 2023 $'000
Business acquisitions, net of cash acquired (Note 24):		
Shoppers	**(100)**	-
Pacific Medical	**(1,050)**	-
BBS	**(3,227)**	-
MQS	**(12,953)**	-
PFY	**(1,259)**	-
C-Health	**(1,289)**	-
JNM	**(5,000)**	-
Lonsdale	**(2,025)**	-
TMBA	**-**	(131)
MCI AB	**-**	(1,025)
CPMC	**-**	(46,193)
SKT	**-**	311
Others	**-**	(1,824)
	(26,903)	(48,862)
Asset acquisitions (Note 24):		
NDAA	**(10,294)**	-
ATAA	**-**	(6,173)
LSAA	**-**	(11,104)
	(10,294)	(17,277)

29. Events After the Reporting Period

On January 1, 2025, the Company acquired a 65% interest in Harmony Anesthesia, LLC ("Harmony") for aggregate consideration estimated at $29,521 (US$20,475) plus transaction costs. The purchase agreement also includes contingent consideration of $1,442 (US$1,000) dependent on meeting a performance target.

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. 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.