WELL Health Reports Record Revenue for Second Quarter 2019

- Revenue increased 258% to $7,402,271 in the three-month period ended June 30, 2019 compared to the three months ended July 31, 2018.
- WELL continued to be an active acquirer during the second quarter as the Company completed the acquisition of OSCARprn – Treatment Solutions Ltd. ("**OSCARprn**") on June 12, 2019. Subsequent to quarter end, WELL completed the acquisition of Kela Atlantic Inc. dba KAI Innovations ("**KAI Innovations**") on July 1, 2019 and on July 18, 2019 the Company announced its entry into a definitive agreement to acquire a majority ownership stake in SleepWorks Medical Inc. ("**SleepWorks**").
- As of June 30, 2019, WELL operated 19 wholly-owned primary healthcare clinics and provided digital EMR services to 292 clinics. Subsequent to the quarter, upon closing of the KAI Innovations acquisition, the Company's EMR SaaS or "Software as a service" business grew to support approximately 852 medical clinics and more than 4000 doctors and other medical practitioners across the country.
- WELL ended the quarter with a strong balance sheet with $6,687,904 in cash and cash equivalents. The Company also recently completed a bought deal private placement of special warrants for gross proceeds of $15,007,500 which closed on August 15, 2019.

Vancouver, B.C. August 22, 2019 - WELL Health Technologies Corp. (TSX.V: WELL) (the "**Company"** or "**WELL**"), a company focused on consolidating and modernizing clinical and digital assets within the primary healthcare sector, announces it has filed its condensed interim consolidated financial statements and Interim MD&A – Quarterly Highlights for fiscal second quarter ended June 30, 2019.

On December 11, 2018, the Board of Directors approved a resolution to change the Company's year-end from October 31 to December 31. Accordingly, the condensed interim consolidated financial statements for the period ended June 30, 2019 include the results for the three-months and six-months ended June 30, 2019 with comparatives for the three-months and six-months ended July 31, 2018.

Second Quarter Financial and Business Highlights:

- WELL achieved record quarterly revenue of $7,402,271 during the three months ended June 30, 2019 compared to $2,066,524 revenue generated during the three months ended July 31, 2018 - an increase of 258%;
- Gross margin(1) increased to 30.4% in the three months ended June 30, 2019, compared to 28.4% in the three months ended July 31, 2018 mainly due to the addition of higher margin digital services revenue.
- Adjusted EBITDA(2)(3) loss was $556,255 for the 3-month period ended June 30, 2019, compared to Adjusted EBITDA(2) loss of $287,054 in the 3-month period ended July 31, 2018.
- On June 12, 2019, WELL completed its acquisition of OSCARprn, who provides OSCAR-based EMR software and services to 71 clinics in British Columbia, supporting approximately 820 registered doctors and practitioners.
- On June 13, 2019, WELL completed a bought deal private placement offering of senior unsecured convertible debentures for a total aggregate principal of $10,500,000. Sir Li Ka-shing and WELL's senior management team inclusive of the Company's CFO and CEO also participated in this convertible debenture offering.

"Q2 was an excellent quarter for us which demonstrated continued strong clinical revenue growth and increasing gross margin from our SaaS based EMR service," said Hamed Shahbazi, Chairman and CEO of WELL. "In addition, the recently completed acquisition of KAI Innovations has been a very strong fit with our prior EMR related acquisitions and has spurred new growth and expanded capabilities in our EMR business. Also, to our knowledge, it firmly positions us as the third largest EMR service provider in Canada. Furthermore, our recent financing transactions give us a strong balance sheet to execute on our future acquisition growth strategy. WELL management continues to be very focused on securing new acquisitions to grow both its clinical and digital portfolios in a manner that is highly accretive to shareholder value both in the short and long term."

Subsequent Events:

- On July 1, 2019, the Company completed the acquisition KAI Innovations for approximately $10,750,000. KAI Innovations provides SaaS (Software as a Service) based EMR services to approximately 562 clinics in Ontario, supporting approximately 2,100 registered doctors and practitioners.
- On July 18, 2019, the Company announced it has entered into a definitive share purchase agreement with the shareholders of SleepWorks, a company engaged in the diagnosis and treatment of sleep disorders, pursuant to which WELL has agreed to acquire 51% of the issued and outstanding shares of SleepWorks, with an option to acquire the remaining 49% in the future. The remaining 49% of the issued and outstanding shares of SleepWorks will be retained by the former principal shareholders of SleepWorks, who will continue to operate the company on a post-closing basis.
- On August 15, 2019, the Company announced that it has closed its previously announced bought deal private placement of 10,350,000 special warrants of the Company (the "Special Warrants") at a price of $1.45 per Special Warrant, for gross proceeds of approximately $15,007,500. Each Special Warrant will entitle the holder to one common share capital of the Company, subject to the terms and conditions of the Special Warrant. The financing included subscriptions by Sir Li Ka-shing and WELL's senior management team inclusive of the Company's CEO, CFO and SVP of Strategic Partnerships and Marketing.

Outlook:

WELL expects Fiscal Q3 revenue to benefit from a full quarter of contribution from the OSCARprn and KAI Innovations acquisitions. The Company continues to execute on its 2019 growth strategy by focusing on the following:

- Achieving organic revenue growth by attracting and retaining physicians and patients, by offering new revenue generating services and by winning new clinic customers for its EMR software and services business;

- In-organic growth is obtained by developing an active pipeline of potential acquisition opportunities including accretive health clinics, OSCAR-based EMR service providers and other digital health related technologies;
- Realizing operational excellence through the use of technology and shared services infrastructure to support our doctor partners and service our patients.

Conference Call:

WELL will hold a call to discuss its 2019 second quarter financial results on Thursday August 22, 2019 at 1:00 pm ET (10:00 am PT). Please use the following dial-in numbers: 1-416-764-8609 (Toronto local) or 1-888-390-0605 (Toll-Free), with Conference ID: **54030543.**

The Company will provide a replay of the call which will be accessible for 7 days. To access the replay use the following dial-in numbers: 1-416-764-8677 or 1-888-390-0541, with Playback passcode: 030543#.

Selected Financial Highlights:

Please see SEDAR for complete copies of the Company's condensed interim consolidated financial statements and Interim MD&A – Quarterly Highlights for fiscal second quarter ended June 30, 2019.

	For the three months ended		For the six months ended	
	June 30, 2019	July 31, 2018	**June 30, 2019**	July 31, 2018
	$	$	**$**	$
Revenue	**7,402,271**	2,066,524	**14,790,314**	3,985,718
Cost of clinical and digital services	**(5,151,372)**	(1,480,451)	**(10,271,922)**	(2,814,504)
Gross Profit[1]	**2,250,899**	586,073	**4,518,392**	1,171,214
Gross Margin[1]	**30.4%**	28.4%	**30.5%**	29.4%
EBITDA[2],[3]	**(998,644)**	(670,891)	**(1,860,008)**	(921,798)
Adjusted EBITDA[2],[3]	**(556,255)**	(287,054)	**(894,720)**	254,233
Net loss from continuing operations[3]	**(1,726,517)**	(633,270)	**(3,176,765)**	(782,071)
Total comprehensive loss for the period[3]	**(1,726,517)**	(669,317)	**(3,176,765)**	(935,918)
Net loss per share - from continuing operations	**(0.02)**	(0.01)	**(0.04)**	(0.01)
Net loss per share - for the period	**(0.02)**	(0.01)	**(0.04)**	(0.01)
Weighted average number of common shares outstanding (basic and diluted)	**94,462,130**	77,343,098	**89,760,785**	66,616,454
Reconciliation of EBITDA and adjusted EBITDA				
Net loss for the period	**(1,726,517)**	(668,445)	**(3,176,765)**	(934,072)
Depreciation and amortization	**395,993**	14,504	**787,175**	23,468
Income tax	**85,000**	3,251	**85,000**	9,007
Interest income	**(39,823)**	(32,660)	**(80,626)**	(32,660)
Interest expense	**286,703**	12,459	**525,208**	12,459
EBITDA[2],[3]	**(998,644)**	(670,891)	**(1,860,008)**	(921,798)
Rent expense on finance leases	**(411,253)**	-	**(822,770)**	-
Stock-based compensation	**511,835**	323,631	**1,227,118**	418,161
Net loss from discontinued operations	**-**	35,175	**-**	152,001
Time-based earn-out expense	**136,195**	-	**272,442**	-
Transaction and restructuring costs expensed	**205,612**	25,031	**288,498**	97,403
Adjusted EBITDA[2],[3]	**(556,255)**	(287,054)	**(894,720)**	(254,233)

Notes:

(1) Non-GAAP measure. Gross profit and gross margin do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines gross profit as revenue less cost of clinical and digital services and gross margin as gross profit as a percentage of revenue. Gross profit and gross margin should not be construed as an alternative for revenue or net loss determined in accordance with IFRS. The Company believes that gross profit and gross margin are meaningful metrics in assessing the Company's financial performance and operational efficiency.

(2) Non-GAAP measure. Earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines EBITDA as earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA is defined as EBITDA (i) less net rent expense on premise leases considered to be finance leases under IFRS and (ii) before transaction and restructuring costs, discontinued operations, time-based earn-out expense and stock-based compensation expense. The Company believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.

(3) On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16"). The adoption of this new standard had a significant impact on the Company's financial statements, including its statement of loss and comprehensive loss, statement of financial position and statement of changes in cash flows. As a result of adopting the new standard, the Company has classified the majority of its premise leases and subleases as finance leases at January 1, 2019, all of which were previously classified as operating leases. The Company adopted the new standard utilizing the modified retrospective exemption which did not require the restatement of prior periods. See note 3(f) in the Company's condensed interim consolidated financial statements for further information on the accounting treatment of leases under IFRS 16.

WELL HEALTH TECHNOLOGIES CORP.
Per: "Hamed Shahbazi"
Hamed Shahbazi
Chief Executive Officer, Chairman and Director

About WELL

WELL is a unique company that operates 19 Primary Healthcare Facilities delivering approximately 600,000 patient visits per year as well as an Electronic Medical Records or EMR SaaS (Software as a Service) business that provides thousands of doctors with digital practice management software solutions. WELL's overarching objective is to empower doctors to provide the best and most advanced care possible leveraging the latest trends in digital health. WELL is publicly traded on the TSX Venture Exchange under the symbol WELL.V. WELL was recognized as a TSX Venture 50 Company in 2018 and 2019.

Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of applicable Canadian securities laws, including, without limitation: the operations of SleepWorks on a post-closing basis; the statement that the Company's recent financing transactions gives the Company a strong balance sheet to execute on its future acquisition growth strategy; the Company's expectation that Fiscal Q3 revenue to benefit from a full quarter of contribution from the OSCARprn and KAI Innovations acquisitions; the statement relating to securing new acquisitions to grow both the Company's clinical and digital portfolios in a manner that is highly accretive to shareholder value both in the short and long term; and the statements relating to the Company's 2019 growth strategy consisting of organic growth, in-organic growth and operational excellence; and the intention to provide the best and most advanced care and leveraging the latest in digital health. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties, and contingencies. These statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause future results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. WELL's statements expressed or implied by these forward-looking statements are subject to a number of risks, uncertainties, and conditions, many of which are outside of WELL 's control, and undue reliance should not be placed on such statements. Forward-looking statements are qualified in their entirety by inherent risks and uncertainties, including: that WELL's assumptions in making forward-looking statements may prove to be incorrect; adverse market conditions; risks inherent in the primary healthcare sector in general; regulatory and legislative changes; that future results may vary from historical results; inability to obtain future financing on suitable terms; and that market competition may affect the business, results and financial condition of WELL. Except as required by securities law, WELL does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise.

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