WELL HEALTH TECHNOLOGIES CORP.
ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

BACKGROUND

This Annual Management's Discussion and Analysis ("**Annual MD&A**") for WELL Health Technologies Corp. (TSX: WELL; OTCQX: WHTCF) should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the years ended December 31, 2023 and 2022. Except as otherwise indicated or where the context so requires, references to "WELL" or the "Company" include WELL Health Technologies Corp. and its subsidiaries. The Company prepares its annual financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") – see notes 2 and 3 to the Company's December 31, 2023 audited annual consolidated financial statements for further information. **All dollar figures stated herein are presented in thousands of Canadian dollars ($'000 or Cdn$'000), unless otherwise specified, except share and per share amounts. Certain figures for 2022 periods have been restated to reflect the finalization of purchase price allocations for certain entities acquired by the Company in 2021 and 2022. Please refer to "Overall Performance" in this Annual MD&A and note 23 of the December 31, 2023 audited annual consolidated financial statements for details.**

This Annual MD&A contains non-GAAP financial measures and ratios, including Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Net Income, and Adjusted Net Income Per Share. See "Consolidated Financial Results" section for more information.

The date of this Annual MD&A is March 20, 2024, the date on which it was approved by the Board of Directors.

Additional information relevant to the Company's activities, including the Company's Annual Information Form ("**AIF**"), can be found at www.sedarplus.ca.

This Annual MD&A contains forward-looking information. See "Forward-Looking Information" for further information.

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

COMPANY OVERVIEW

WELL is a practitioner-focused digital healthcare company. WELL's overarching mission is to positively impact health outcomes by leveraging technology to empower healthcare practitioners and their patients globally. WELL exists to enable healthcare practitioners with best-in-class technology and services. The Company has built the most comprehensive end-to-end healthcare system across Canada including the largest network of clinics supporting primary care, specialized care, and diagnostics services. In the U.S.,

WELL provides omni-channel patient services and solutions targeting specific markets such as provider staffing, anesthesia, gastrointestinal health, women's health, primary care and mental healthcare. In addition to providing patient services, WELL develops, integrates, and sells its own suite of technology software and technology solutions to medical clinics and healthcare practitioners. WELL's practitioner enablement platform includes: Electronic Medical Records ("**EMR**"), telehealth platforms, practice management, billing, Revenue Cycle Management ("**RCM**"), an AI-powered virtual assistant ("**WELL AI Voice**"), digital health apps and data protection solutions.

WELL provides practitioners the choice to either join WELL's network or purchase technology solutions from WELL. There are over 3,900 practitioners who are part of WELL's network in which the practitioner practices at one of WELL's owned and operated clinics and gets access to the full suite of WELL's products and services. In this scenario, the Company manages all aspects of the clinic operations and recognizes the resulting gross billings from in-person and virtual patient visits while the practitioner typically receives payment under a revenue share contractual arrangement.

In addition, there are over 34,000 practitioners who purchase technology solutions while practicing at non-WELL owned clinics. Physicians can pick and choose "a la carte" solutions offered on WELL's practitioner enablement platform. While this segment is a smaller portion of WELL's total revenues, it has enabled the Company to create relationships with healthcare practitioners across the country and positions us favorably when it comes time to attract new physicians to one of our patient services businesses.

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

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

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

Canadian Patient Services

WELL is the largest owner-operator of outpatient medical clinics in Canada providing primary care, allied health, specialized care, and diagnostic healthcare services. As at December 31, 2023, the Company had a total of 98 physical facilities across Canada. The Company acquired its first primary care clinics in the Province of British Columbia in February 2018. Since then, WELL expanded its footprint through several accretive acquisitions in the provinces of Alberta, Manitoba, Ontario, and Quebec.

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

WELL Health USA Patient and Provider Services

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

WELL expanded its patient and provider services business in the U.S. with the acquisition of CRH in April 2021. CRH delivers specialized care services focused on providing gastroenterologists throughout the U.S. with innovative services and products for the treatment of gastrointestinal (GI) diseases. Through CRH, WELL gains deep access to the U.S. healthcare system, including anesthesia services for patients undergoing endoscopic procedures at 141 Ambulatory Surgery Centers (ASCs) and GI clinics across 21 states as at December 31, 2023. The acquisition of CRH meaningfully enhanced WELL's cash flow profile, enabling future reinvestment, capital compounding, and capital allocation opportunities across other attractive healthcare and healthcare-technology segments.

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

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

Circle Medical's team of healthcare providers includes primary care physicians, nurse practitioners and mental health specialists. Circle Medical offers virtual care services across 26 states and has physical facilities in 23 states in the U.S. Circle Medical has developed its own proprietary technology solutions including Circle Medical's mobile app which allows patients to schedule appointments, receive virtual patient care and access their medical records.

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

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

Key Metrics for Canadian and Well Health USA Patient and Provider Services

	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Canadian Patient Services					
Practitioners	2,293	1,784	1,765	1,633	1,600
Clinics	167	152	148	142	142
Physical Facilities	98	85	84	78	78
Total Canada Patient Visits	678,000+	532,000+	537,000+	504,000+	491,000+
WELL Health USA Patient and Provider Services					
Practitioners	1,667	1,576	1,329	1,291	1,283
Clinics	34	31	33	24	6
Physical Facilities	33	30	32	23	5
CRH ASCs / GI clinics served	143	143	129	128	126
Total US Patient Visits	544,000+	505,000+	478,000+	471,000+	450,000+
CRH Ligators Sold	39,000+	36,000+	32,000+	59,000+	42,000+
Billed Provider Hours	98,000+	81,000+			

Note:

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

[2] Patient visit metrics for the prior period Q4 2022 has been restated to align with new segmentation based on Canadian Patient Services and WELL Health USA Patient and Provider Services operating segments. Diagnostic patient visits performed by MyHealth and False Creek Wellness are now included in Canadian Patient visits, while Wisp's asynchronous patient visits are now included in U.S. Patient visits. Patient bookings only conducted by various technology providers such as OceanMD, Adracare, and Insig are now reported under Total Technology Interactions under SaaS and Technology Services below.

SaaS and Technology Services

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

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

WELL EMR Group is the provider of OSCAR Pro, an EMR platform based on McMaster University's popular web-based open-source OSCAR Pro EMR system (OSCAR is an acronym for "Open Source Clinical Application Resource"). WELL EMR Group's growth has been primarily driven by acquisitions and consolidation of a number of smaller OSCAR based EMR providers including: NerdEMR Services Ltd., OSCARprn – Treatment Solutions Ltd., Kela Atlantic Inc. dba KAI Innovations, OSCARwest EMR Services, Trinity Healthcare Technologies, MedBASE Software Inc., Indivica Inc., ClearMedica Corporation, Open Health Software Solutions Inc., and Juno EMR.

WELL has also acquired several non-OSCAR based specialty EMR vendors including: Intrahealth Systems Limited, Aware MD Inc., and Adracare Inc.

WELL's Billing and RCM Solutions business unit is the national category leader for billing and back-office services including "Billing-as-a-Service" (BaaS) outsourcing services to doctors in Canada. Billing and RCM

Solutions includes the acquisitions of DoctorCare Inc. ("**DoctorCare**"), Doctor Services Group Limited ("**DSG**"), Trillium Medical Billing Agency Inc. ("**Trillium**"), and the acquisition of ClinicAid billing software applications as part of the CloudMD Cloud Practice transaction. Billing and RCM Solutions helps practitioners grow their practice by minimizing errors, ensuring compliance with complicated medical billing claim codes and improving patient care.

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

Apps.health is a digital health app marketplace whose mission is to connect healthcare professionals with new and pioneering solutions or "apps" which integrate securely and seamlessly with a clinic's EMR software. It currently features approximately 55 digital health applications provided by 38 app publishers.

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

Key Metrics for SaaS and Technology Services

	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
SaaS and Technology Services					
Total practioners in Network	34,000+	33,000+	31,000+	28,000+	23,000+
Billing & RCM Practitioners	9,400+	8,900+	8,500+	5,700+	3,600+
EMR # of Clinics	3,700+	4,000+	3,900+	3,900+	3,500+
Apps on Apps.Health	55	54	54	54	52
OceanMD eReferrals	245,000+	215,000+	226,000+	190,000+	151,000+
Total Technology Interactions	547,000+	458,000+	453,000+	422,000+	412,000+

Note:

[1] Total Technology Interactions is defined as the total number of bookings facilitated by OceanMD, Insig, and Adracare.

WELL Ventures

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

SIGNIFICANT HISTORICAL EVENTS

Business updates

On December 7, 2023, the Company announced that it has been selected as the official medical provider for the Vancouver Canucks, enhancing both player health and fan experiences. This partnership provides players and management with comprehensive healthcare, including diagnostics and pain management. Premium seat holders will also access WELL's health management services, like the Longevity+ program. Additionally, the collaboration introduces the WELL Health President's Club at Rogers Arena, offering premium amenities and promoting WELL's health programs to fans.

On November 21, 2023, the Company announced the launch of WELL AI Inbox Admin, a powerful AI-powered system that creates efficient custom workflows to help optimize clinical operations and manage incoming documents such as faxes which are still prevalent in Canada's healthcare ecosystem. WELL AI Inbox Admin seamlessly integrates with 'EMR' or Electronic Medical Records systems such as WELL's OSCARPro EMR, enabling quick patient information retrieval and the ability to quickly triage and prioritize urgent matters, while its referral management features save time and enhance patient care pathways.

On November 9, 2023, the Company announced the launch of the WELL Longevity+ Program, a progressive extension of its preventative health division designed to redefine the future of personal and corporate wellness. WELL Longevity+ enhances preventative health with advanced precision diagnostics and AI technologies for the early detection of serious health conditions to dramatically improve early diagnosis of major chronic diseases, paving the way for earlier treatment interventions.

On October 18, 2023, the Company announced the launch of WELL AI Decision Support. WELL AI Decision Support is a solution that utilizes artificial intelligence to aid healthcare providers in early disease diagnosis and preventative health, particularly in identifying over 110 complex or rare diseases. Developed by HEALWELL AI, this technology has been validated in both Canadian and U.S. healthcare systems. It aims to bridge the gap in healthcare diagnostics and patient care, ensuring more accurate and timely diagnoses, and is available through WELL's digital marketplace for EMR tools and applications.

On August 10, 2023, the Company announced that its subsidiary, OceanMD, secured a $38.5 million contract with British Columbia's health authority to implement its digital services. This collaboration, the third of its kind in Canada, strengthens WELL's position in the digital health sector and also signifies WELL's commitment to enhancing healthcare through technology across the country.

On July 27, 2023, the Company announced the re-branding of CRH Medical Corporation and launched WELL Health USA, a multi-disciplinary healthcare business spanning primary and specialized care with online and offline operations at scale. WELL Health USA will leverage its deep U.S.-based healthcare expertise and structural advantages to create a whole new category of shared services that will benefit and deliver improved integration and facilitate further growth between WELL's U.S. based lines of business including CRH Anesthesia, CRH O'Regan System, Radar Healthcare Providers, Circle Medical and Wisp.

On May 10, 2023, the Company launched WELL AI Voice, a pioneering AI product from the WELLHealth.ai program, designed to alleviate administrative tasks for healthcare providers by generating medical chart notes from patient discussions. This innovation, which integrates with existing EMR systems, marks WELL's commitment to enhancing healthcare efficiency and patient care through advanced AI technology.

On April 4, 2023, the Company announced that the province of Nova Scotia has selected its subsidiary, OceanMD, to implement its Ocean eReferrals system for electronic surgical consult referrals. This initiative aims to streamline the referral process, enabling primary care providers to digitally send requests to

surgeons, thus reducing wait times for patients.

On January 13, 2023, the Company partnered with ORX Surgical, Tali.ai, and Simon Fraser University on the Health Compass project under the Digital Technology Supercluster initiative. This collaboration aims to unlock healthcare data from EMRs using AI, reducing the administrative burden on providers, and enhancing patient care. WELL Health, alongside its subsidiaries, secured $3M in co-investment funding from DTS to pilot Health Compass, integrating these advancements into WELL's apps.health ecosystem.

Business combinations, asset acquisitions and key investments

On December 1, 2023, the Company completed an asset purchase whereby it acquired certain assets and operations of the largest private clinic operator in Manitoba, representing the Company's first clinic in Manitoba.

On October 16, 2023, the Company converted into common shares its $1,000 investment in convertible debentures of 11855760 Canada Inc. dba Tali.ai ("**Tali.ai**"), exercised $250 worth of its 2021 performance warrants for common shares, and subscribed for $372 worth of new preferred shares in Tali.ai.

On October 6, 2023, the Company completed an investment in ORX Surgical Inc., a company that is leveraging advanced AI to optimize operating room efficiencies and streamline healthcare revenue management.

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;
- $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 debentures in HEALWELL with five-year maturity, 10% interest coupon and five to one warrant coverage. The convertible debentures and 20,000,000 warrants are convertible to 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 over time. The call option is not exercisable until both of the following trigger conditions have 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 have 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 MD&A 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.

The Company also invested a total of $700 in Class A Subordinate Voting shares of HEALWELL as part of HEALWELL's bought deal equity financings.

On October 1, 2023, the Company acquired a 100% interest in Proack. Proack is a leading provider of offensive security assessments, offering services like penetration testing, red teaming, and social engineering to proactively identify and mitigate cybersecurity threats. Acquired by Cycura, WELL Health's Cybersecurity Business Unit, Proack enhances Cycura's capabilities in safeguarding sensitive data and maintaining robust security across healthcare and corporate networks.

On August 1, 2023, the Company acquired Seekintoo through its subsidiary Cycura. Seekintoo provides Cybersecurity Operations Center services, delivering 24/7 threat protection and managed detection to enterprise clients. The former CEO of Seekintoo joins Cycura as its new CEO as part of the acquisition.

On July 19, 2023, the Company entered into an agreement to acquire clinic assets from MCI Medical Clinics Inc., a subsidiary of HEALWELL and a subscription agreement for a convertible debenture financing in HEALWELL which will strategically focus the HEALWELL business on its leading AI, Data Science and Rare & Complex Disease Detection platform (the "**HEALWELL Transaction**"). On July 19, 2023, the Company advanced $3 million to HEALWELL under a secured promissory note bearing interest at a rate of prime plus 9%, which was to accrue and be payable, along with all outstanding principal, on the earlier of four months or the date the HEALWELL Transaction closes. Such advance was credited towards the cash payment obligations of WELL upon closing of the HEALWELL Transaction. The HEALWELL Transaction closed on October 1, 2023.

On July 1, 2023, the Company acquired a 100% interest in Lone Star Anesthesia Associates, PLLC ("**LSAA**"). The purchase consideration, paid via a combination of cash and deferred consideration, was $12,298 (US$9,303) plus transaction costs.

On July 1, 2023, the Company acquired a 100% interest in Care Plus Medical Corporation ("**CarePlus**"). The purchase consideration, paid via cash, was $48,098 (US$36,385). Upon closing, CarePlus had approximately $11 million in cash and net working capital.

On June 22, 2023, the Company announced that, through its subsidiary CRH, it had made a strategic investment in Graphium Health LP, a leading EMR company focused on anesthesia practices in both inpatient and outpatient settings across the U.S. The investment is part of a strategic alliance designed to further digitize and modernize CRH's billing and back-office processes.

On June 1, 2023, the Company completed the acquisition of MCI Medical Clinics (Alberta) Inc. ("**MCI AB**") for total consideration of $2,000 subject to post-closing adjustments. MCI AB is the operator of five multi-disciplinary primary care clinics based in Calgary, Alberta that offer a range of primary care services, including family medicine, women's health, and other specialties.

On May 1, 2023, the Company completed the acquisition of Trillium for total consideration of $2,000 subject to post-closing adjustments. Trillium is an Ontario based billing and back-office support agency, which upon closing was immediately amalgamated into DoctorCare Inc.

On March 2, 2023, the Company led an investment round in doctorly, a medical practice management

software provider based in Germany. doctorly provides a fully centralized, cloud powered, GDPR compliant, medical practice operating system that reduces the time and effort doctors and medical assistants spend on day-to-day administrative tasks.

On March 1, 2023, the Company completed the acquisition of a 51% interest in Affiliated Tampa Anesthesia Associates, LLC ("**ATAA**") for cash consideration of $6,173 (US$4,535) plus transaction costs.

Disposals

On April 1, 2023, the Company, through its subsidiary CRH, sold its 51% interest in Western Ohio Sedation Associates, LLC ("**WOSA**") for total cash consideration of $11,059 (US$8,172) plus a five-year management services agreement, which includes a base fee plus performance incentives.

EVENTS SUBSEQUENT TO DECEMBER 31, 2023

On January 26, 2024, the Company refinanced its syndicated credit facility with JPMorgan Chase Bank, N.A. to include two new syndicate members and extend the term to January 26, 2027. The US$300 million credit facility consists of a primary US$175 million credit facility with an additional US$125 million accordion for future growth. Interest on the refinanced credit facility is calculated with reference to 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.

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 a total consideration of approximately $24,200, consisting of cash, shares in HEALWELL and deferred payments.

OUTLOOK

WELL is expecting its strong performance to continue into 2024 with a greater focus on optimizing its operations for organic growth and profitability. WELL's objective is to focus on more capital efficient growth opportunities while effectively managing its costs and delivering strong growth and sustained cashflow to shareholders. Management is pleased to provide the following update to its guidance, which only includes announced acquisitions:

- Annual revenue for 2024 is expected to be in the range of $950 million to $970 million.
- Annual Adjusted EBITDA(1) for 2024 is expected to be in the range of $125 million to $130 million.

WELL expects to continue to grow both of its U.S. and Canadian Patient Services business both organically and inorganically but with greater emphasis on capital efficiency such that it can use cashflows from its business to reduce debt and share issuance levels. In Canada, WELL expects to increase its market leadership as the country's first pan-Canadian clinical network with a highly integrated network of tech-enabled outpatient healthcare clinics across the country.

WELL has implemented a cost optimization program to enhance operational efficiency and profitability. This program includes staff restructuring and several other cost optimization initiatives.

As a company with deep tech experience and capabilities, WELL has also made investments in AI technologies a key priority within the Company and expects to develop compelling new products and enhancements to roll out to WELL's provider and clinic network.

WELL's strong organic growth and robust cash flow profile allows the Company to continue to successfully execute on its growth plans while reducing its debt levels over time.

OVERALL PERFORMANCE

Purchase price allocation finalization and restatement

During the year ended December 31, 2023, the Company finalized the purchase price allocation of certain entities acquired in 2022. During the year ended December 31, 2022, the Company finalized the purchase price allocation of certain entities acquired in 2021. As a result of these finalizations, certain assets and liabilities recorded at the respective acquisition dates including goodwill, intangible assets, property and equipment, deferred tax assets and liabilities and other amounts on the consolidated statements of financial position have been restated to reflect the final fair values allocated to net assets acquired. These restatements also impacted amortization expense, deferred income tax expense and net income (loss) for quarterly periods in 2021 and 2022. As a result, financial results for certain periods have been marked as restated, as applicable. See note 23 to the Company's December 31, 2023 annual audited consolidated financial statements.

SELECTED ANNUAL INFORMATION

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

Results of Operations:	**Year ended December 31,**		
	2023	2022	2021 Restated
	$'000	$'000	$'000
Total revenue	**776,054**	569,136	302,324
Net income (loss)	**16,637**	18,675	(31,287)
Net income (loss) attributable to WELL shareholders	**82**	1,369	(44,179)
Earnings (loss) per share attributable to WELL shareholders - basic and diluted (in $)	**0.00**	0.00	(0.23)

Financial Position:	**As at December 31,**		
	2023	2022	2021 Restated
	$'000	$'000	$'000
Cash and cash equivalents	**43,423**	48,908	61,919
Total assets	**1,409,302**	1,319,031	1,287,319
Total non-current financial liabilities	**410,203**	367,277	442,223
Distributions or cash dividends declared	**-**	-	-

Year ended December 31, 2023

During the year ended December 31, 2023, the Company generated revenue of $776,054 as compared to revenue of $569,136 for the year ended December 31, 2022. This increase in revenue is attributable

to organic growth and the Company's acquisitions, most notably from CarePlus and several medical clinics which were acquired part way through 2023.

The Company completed 8 business acquisitions (all wholly-owned) and 2 asset acquisitions in 2023. In total, the Company paid $66,139 in cash (net of cash acquired) related to these acquisitions. Please refer to note 23 of audited annual consolidated financial statements for the year ended December 31, 2023 for additional information. Goodwill and intangible assets that arose from these acquisitions totaled $76,835. The Company paid $9,560 in cash for deferred acquisition costs during the year.

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

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

Year ended December 31, 2022

During the year ended December 31, 2022, the Company generated revenue of $569,136 as compared to revenue of $302,324 for the year ended December 31, 2021. This increase in revenue is primarily attributable to the Company's acquisitions, most notably from CRH, MyHealth and Wisp which were acquired part way through 2021, and organic growth, most notably from Circle Medical.

During 2022, the Company completed an equity financing raising gross proceeds of $35 million for acquisitions and working capital purposes.

The Company completed 6 business acquisitions (5 wholly-owned and 1 majority-owned) and 2 asset acquisitions in 2022. In total, the Company paid $16,506 in cash (net of cash acquired) related to these acquisitions. Please refer to note 23 of audited annual consolidated financial statements for the year ended December 31, 2022 for additional information. Goodwill and intangible assets that arose from these acquisitions totaled $41,155. The Company paid $31,341 in cash for deferred acquisition costs during the year.

The Company disposed of a subsidiary and recognized a gain of $5,206 during the year ended December 31, 2022. Cash proceeds received on this sale were $16,510.

Net income for the year ended December 31, 2022 was $18,675 compared to a net loss of $31,287 for the year ended December 31, 2021. The increase in net income was primarily due to higher operating income, a gain on the revaluation of a deferred acquisition cost liability, a gain on the sale of a subsidiary and an income tax recovery partially offset by higher interest expense.

Consolidated Financial Results

The following table provides selected annual and quarterly financial information for the years ended December 31, 2023 and 2022. The results of operations from acquired businesses and entities are included from their respective dates of acquisition. **The table includes non-GAAP financial measures and reconciliations of such measures to their most comparable IFRS measure**.

	Year ended		Quarter ended		
	December 31, 2023 $'000	**December 31, 2022 $'000**	**December 31, 2023 $'000**	September 30, 2023 $'000	December 31, 2022 $'000
Revenue	**776,054**	569,136	**231,246**	204,461	156,513
Cost of sales (excluding depreciation and amortization)	**(403,787)**	(265,845)	**(130,207)**	(110,225)	(76,276)
Adjusted Gross Profit[1]	**372,267**	303,291	**101,039**	94,236	80,237
Adjusted Gross Margin[1]	**48.0%**	53.3%	**43.7%**	46.1%	51.3%
Adjusted EBITDA[1]	**113,394**	104,559	**30,750**	28,172	27,174
Net income (loss)	**16,637**	**18,675**	**33,762**	**(4,482)**	**22,084**
Adjusted Net Income [1]	**52,402**	53,704	**11,156**	12,760	12,493
Earnings (loss) per share, basic and diluted (in $)	**0.00**	**0.00**	**0.12**	**(0.03)**	**0.09**
Adjusted Net Income per share, basic and diluted (in $) [1]	**0.22**	0.24	**0.05**	0.05	0.05
Weighted average number of common shares outstanding, basic and diluted	**236,542,932**	220,691,471	**240,354,683**	238,104,415	229,505,226
Reconciliation of net income (loss) to Adjusted EBITDA:					
Net income (loss) for the period	**16,637**	18,675	**33,762**	(4,482)	22,084
Depreciation and amortization	**60,768**	55,203	**16,756**	15,449	14,100
Income tax expense (recovery)	**2,860**	(1,150)	**804**	(25)	(3,684)
Interest income	**(763)**	(649)	**(334)**	(114)	(238)
Interest expense	**33,603**	25,291	**9,035**	8,966	7,761
Rent expense on finance leases	**(11,283)**	(9,176)	**(3,540)**	(2,672)	(2,458)
Stock-based compensation	**26,162**	24,483	**6,386**	7,043	4,934
Foreign exchange (gain) loss	**(636)**	670	**252**	(539)	61
Time-based earnout expense (recovery)	**21,412**	(15,767)	**7,493**	1,589	(25,472)
Change in fair value of investments	**(42,560)**	-	**(42,560)**	-	-
(Gain) loss on disposal of investments	**(1,570)**	(5,206)	**(46)**	(7)	34
Share of net loss (income) of associates	**378**	396	**88**	102	(37)
Loss on transition of billings service provider	-	8,495	-	-	8,495
Transaction, restructuring and integration costs expensed	**6,588**	2,494	**2,654**	2,862	192
Other items	**1,798**	800	-	-	1,402
Adjusted EBITDA[1]	**113,394**	104,559	**30,750**	28,172	27,174
Attributable to WELL shareholders	**88,414**	76,613	**22,583**	22,912	21,090
Attributable to Non-controlling interests	**24,980**	27,946	**8,167**	5,260	6,084
Adjusted EBITDA[1]					
WELL Corporate	**(18,794)**	(16,750)	**(4,596)**	(5,074)	(4,086)
Canada and others	**45,220**	32,453	**9,985**	12,251	9,094
US operations	**86,968**	88,856	**25,361**	20,995	22,166
Adjusted EBITDA[1] attributable to WELL shareholders					
WELL Corporate	**(18,794)**	(16,750)	**(4,596)**	(5,074)	(4,086)
Canada and others	**44,569**	31,679	**9,839**	12,184	8,916
US operations	**62,639**	61,684	**17,340**	15,802	16,260
Adjusted EBITDA[1] attributable to Non-controlling interests					
Canada and others	**651**	774	**146**	67	178
US operations	**24,329**	27,172	**8,021**	5,193	5,906
Reconciliation of net income (loss) to Adjusted Net Income:					
Net income (loss) for the period	**16,637**	18,675	**33,762**	(4,482)	22,084
Amortization of acquired intangible assets	**45,508**	42,819	**12,024**	11,734	11,001
Time-based earnout expense	**21,412**	(15,767)	**7,493**	1,589	(25,472)
Stock-based compensation	**26,162**	24,483	**6,386**	7,043	4,934
Change in fair value of investments	**(42,560)**	-	**(42,560)**	-	-
Other items	**1,798**	800	-	-	1,402
Non-controlling interest included in net income (loss)	**(16,555)**	(17,306)	**(5,949)**	(3,124)	(1,456)
Adjusted Net Income [1]	**52,402**	53,704	**11,156**	12,760	12,493
Adjusted Net Income per share [1]	**0.22**	0.24	**0.05**	0.05	0.05

Note:

(1) Non-GAAP financial measures

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

Adjusted Gross Profit and Adjusted Gross Margin

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

Adjusted EBITDA

The Company defines **Adjusted EBITDA** as net income (loss) before interest, taxes, depreciation and amortization **less** (i) net rent expense on premise leases considered to be finance leases under IFRS and **before** (ii) transaction, restructuring, and integration costs, time-based earn-out expense, change in fair value of investments, share of income (loss) of associates, foreign exchange gain/loss, and stock-based compensation expense, and (iii) gains/losses that are not reflective of ongoing operating performance. The Company considers Adjusted EBITDA to be a financial metric that measures cash flow that the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. Adjusted EBITDA should not be considered alternatives to net income (loss), cash flow from operating activities or other measures of financial performance defined under IFRS.

Adjusted Net Income and Adjusted Net Income per Share

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

Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income per Share are not recognized measures for financial statement presentation under IFRS and do not have standardized meanings. As such, these measures may not be comparable to similar measures presented by other companies and should be considered as supplements to, and not as substitutes for, or superior to, the corresponding measures calculated in accordance with IFRS.

DISCUSSION OF OPERATIONS

Revenue

The following table shows a breakdown of revenue for the years ended December 31, 2023 and 2022:

	Years ended			
	December 31, 2023		December 31, 2022	
	$'000		$'000	
Patient Services	**707,300**	**91%**	511,632	90%
SaaS and Technology Services	**68,754**	**9%**	57,504	10%
Total Revenue	**776,054**	**100%**	569,136	100%

For the year ended December 31, 2023, the Company generated revenue of $776,054, an increase of 36%, compared to revenue of $569,136 for the year ended December 31, 2022. The increase in revenue is primarily attributable to the Company's organic growth and acquisitions.

Patient Services revenue, which comprises Canadian Patient Services and WELL Health USA Patient Services business units, accounted for 91% of total revenue for the year ended December 31, 2023, compared to 90% of total revenue for the year ended December 31, 2022. Patient Services revenue increased 38% to $707,300 during the year ended December 31, 2023, compared to $511,632 for the year ended December 31, 2022, primarily due to the Company's acquisitions of CarePlus and several Canadian medical clinics in 2023, and from organic growth in Circle Medical and Wisp.

SaaS and Technology Services revenue accounted for 9% of total revenue for the year ended December 31, 2023, as compared to 10% for the year ended December 31, 2022. SaaS and Technology Services revenue increased 20% to $68,754 during the year ended December 31, 2023, compared to $57,504 during the year ended December 31, 2022. SaaS and Technology Services revenue includes: (i) revenue from all of the Company's EMR businesses which is primarily high margin recurring revenue; (ii) digital app revenue from WELL's apps.health marketplace; (iii) revenue from Billing and RCM Solutions; (iv) practice management software revenue; and (v) cybersecurity revenue. The increase in 2023 compared to 2022 related primarily to organic growth at OceanMD, DoctorCare, Oscar Pro and Intrahealth businesses.

Adjusted Gross Profit[1] and Adjusted Gross Margin[1]

The following table summarizes Adjusted Gross Profit[1] and Adjusted Gross Margin[1] for the years ended December 31, 2023 and 2022:

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Revenue	**776,054**	569,136
Cost of sales (excluding depreciation and amortization)	**(403,787)**	(265,845)
Adjusted Gross Profit[1]	**372,267**	303,291
Adjusted Gross Margin[1]	**48.0%**	53.3%

Note:

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

Adjusted Gross Profit[1] increased 23% to $372,267 for the year ended December 31, 2023, compared to $303,291 for the year ended December 31, 2022. The increase in Adjusted Gross Profit[1] is primarily due to the Company's acquisitions and organic growth.

Adjusted Gross Margin[1] percentage decreased to 48.0% for the year ended December 31, 2023 compared to 53.3% for the year ended December 31, 2022. The decrease in Adjusted Gross Margin[1] percentage is primarily driven by the addition of recruiting revenue after the acquisition of CarePlus, which has lower margins compared to other patient services and virtual services revenue.

General and Administrative ("G&A") Expenses

The following is a breakdown of the Company's G&A expenses for the years ended December 31, 2023 and 2022:

	Years ended	
	December 31, 2023 $'000	December 31, 2022 $'000
Salaries and benefits	**128,222**	100,352
Professional and consulting fees	**21,863**	17,481
Office expenses	**20,330**	12,317
Marketing and promotion	**64,289**	47,695
Other	**16,112**	21,778
	250,816	199,623

G&A expenses increased 26% to $250,816 for the year ended December 31, 2023, compared to $199,623 for the year ended December 31, 2022. The increase was primarily due to higher salaries and benefits from an increase in headcount, both from acquisitions and at the Company's headquarters, as well as an increase in marketing and promotion expenses, to support the Company's growth and M&A activities. The Company has established several shared services cost centers at its headquarters to support its various clinics and subsidiary operations and the increase in headcount relates to the growing volume and scope of shared service activities. In 2022, the Company also recorded a credit loss of $6,608 in relation to transition of a billing service provider which has been included under Other in the table above.

For the year ended December 31, 2023, the Company incurred $6,588 of transaction, restructuring and integration costs related to its M&A activities, compared to $2,494 for the year ended December 31, 2022. The transaction, restructuring and integration costs are included in G&A expenses as professional and consulting fees and salaries and benefits.

Marketing and promotion expenses increased 35% to $64,289 for the year ended December 31, 2023, compared to $47,695 for the year ended December 31, 2022. This significant increase is mainly due to growth at Circle Medical and Wisp which require higher marketing effort than other businesses.

Stock-based compensation

For the year ended December 31, 2023, the Company recognized $26,162 of stock-based compensation expense, compared to $24,483 for the year ended December 31, 2022. The increase in expense is the result of stock options, restricted share units ("**RSUs**") and performance share units ("**PSUs**") issued in 2023 and 2022 to the Company's growing number of employees. The fair value of the stock options, RSUs and PSUs, as determined on the date of grant, is recognized as an expense over the vesting periods of such awards. See note 20 to the Company's December 31, 2023 annual audited consolidated financial statements for further information.

Depreciation and amortization

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Depreciation on right-of-use assets	**10,551**	8,070
Depreciation on property and equipment	**4,516**	4,314
Amortization on intangible assets	**45,701**	42,819
Depreciation and amortization expense	**60,768**	55,203

For the year ended December 31, 2023, the Company recognized depreciation and amortization expense of $60,768, compared to $55,203 for the year ended December 31, 2022. Depreciation expense relates to right-of-use assets and other property and equipment and increased year-over-year due to the Company's acquisitions. Amortization expense relates to acquired intangible assets and the increase corresponds directly to the number and timing of acquisitions that the Company completed during 2023 and 2022.

Interest expense and interest income

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Interest on loans and borrowings	**19,954**	12,547
Interest on convertible debentures	**8,592**	7,205
Interest accretion	**4,081**	5,016
Amortization of deferred financing fees	**976**	523
Interest expense	**33,603**	25,291
Interest income	**(763)**	(649)

For the year ended December 31, 2023, the Company recognized interest expense of $33,603, as compared to $25,291 for the year ended December 31, 2022. Interest expense relates primarily to borrowings under the Company's credit facilities with JP Morgan Chase and the Royal Bank of Canada, convertible debentures, and to interest accretion on lease liabilities and deferred acquisition cost liabilities. The increase in interest expense on loans and borrowings for the year ended December 31, 2023 was primarily due to higher long-term debt balances outstanding and an increase in variable interest rates. Interest accretion on lease and deferred acquisition cost liabilities decreased primarily due to the reduction in deferred acquisition cost liabilities. Cash interest payments were $23,051 for the year ended December 31, 2023 compared to $16,073 for the year ended December 31, 2022. Interest income was mainly related to interest earned on cash and cash equivalents and convertible debenture investments.

Time-based earnout expense (recovery)

	December 31, 2023 $'000	December 31, 2022 $'000
Time-based earnout expense	**7,513**	11,983
Loss on settlement of deferred acquisition cost and time-based earnout liabilities via shares	**1,430**	-
Loss/(gain) on revaluation of deferred acquisition cost liability	**12,469**	(27,750)
	21,412	(15,767)

For the year ended December 31, 2023, the Company recognized time-based earnout expense of $21,412, as compared to a time-based earnout recovery of $15,767 for the year ended December 31, 2022. Time-based earnout expense for the year ended December 31, 2023 included $7,513 for earnouts that are recognized over time during post-acquisition requisite service periods (2022 - $11,983). During the year ended December 31, 2023, the Company recognized a loss of $12,469 on revaluation of the deferred acquisition cost liability relating to the MyHealth acquisition. The revaluation reflected the impact from an agreement signed in February 2023 that amended the terms of the MyHealth earnout arrangement, MyHealth's 2023 performance, and changes in estimates and assumptions relating to MyHealth future performance over the earnout period. During the year ended December 31, 2022, the Company recognized a gain of $27,750 on the revaluation of the MyHealth deferred acquisition cost liability. On a cumulative basis, the net gain to date was $15,281.

Change in fair value of investments

For the year ended December 31 2023, the Company recognized non-cash fair value gains on its investments in associates of $42,560 compared to $nil for the year ended December 31, 2022. The fair value gains included $39,920 in relation to the Company's investments in HEALWELL (convertible debenture, warrants and call option) and $2,640 in relation to other venture investments. The increase in fair value of the Company's investments in HEALWELL was primarily driven by an increase in HEALWELL share price from the date the HEALWELL Transaction on July 19, 2023 to December 31, 2023.

Income tax expense (recovery)

	Year ended	
	December 31, 2023 $'000	December 31, 2022 $'000
Current tax expense	**12,685**	2,880
Deferred tax recovery	**(9,825)**	(4,030)
Total income tax expense (recovery)	**2,860**	(1,150)

Income tax expense for the year ended December 31, 2023 was $2,860, comprised of current tax expense of $12,685 net of a deferred tax recovery of $9,825, as compared to an income tax recovery of $1,150 for the year ended December 31, 2022, comprised of current tax expense of $2,880 net of a deferred tax recovery of $4,030. The increase in current tax expense in 2023 related to the Company's change in mix of income or losses in different legal entities and tax jurisdictions. Deferred tax expense or recovery is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The increase in deferred tax recovery in 2023 related primarily to an increase in deferred tax recoveries on amortization of acquired intangible assets. Cash tax payments, net of refunds, were $14,869 for the year ended December 31, 2023 compared to $5,294 for the year ended December 31, 2022.

Net income

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

Quarterly Financial Highlights

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

	Q4 2023 $ '000	Q3 2023 $ '000	Q2 2023 $ '000	Q1 2023 $ '000	Q4 2022 $ '000	Q3 2022 $ '000	Restated Q2 2022 $ '000	Restated Q1 2022 $ '000
Total revenue	231,246	204,461	170,922	169,425	156,513	145,789	140,326	126,508
Net income (loss)	33,762	(4,482)	(2,016)	(10,627)	22,084	611	(1,244)	(2,776)
Net income (loss) per share attributable to WELL, basic and diluted (in $)	0.12	(0.03)	(0.03)	(0.06)	0.09	(0.02)	(0.03)	(0.04)
Adjusted Gross Profit (1)	101,039	94,236	90,823	86,169	80,237	78,192	75,474	69,388
Adjusted Gross Margin (1)	43.7%	46.1%	53.1%	50.9%	51.3%	53.6%	53.8%	54.8%
Adjusted EBITDA (1)	30,750	28,172	27,789	26,683	27,174	27,458	26,434	23,493

Note:

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

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

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

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

Fourth Quarter

Revenue for the fourth quarter ended December 31, 2023 was $231,246, an increase of 48% compared to revenue of $156,513 in the fourth quarter ended December 31, 2022 and an increase of 13% compared to revenue of $204,461 in the third quarter ended September 30, 2023. The increase in revenue was mainly driven by acquisitions, seasonally strong patient visits in the Company's primary care business and

healthy organic growth of the Company's US-based virtual services businesses.

Adjusted Gross Profit[1] for the fourth quarter ended December 31, 2023 was $101,039, an increase of 26% compared to Adjusted Gross Profit[1] of $80,237 in the fourth quarter ended December 31, 2022 and an increase of 7% compared to Adjusted Gross Profit[1] of $94,236 in the third quarter ended September 30, 2023. The increase in Adjusted Gross Profit[1] was mainly the result of acquisitions. Adjusted Gross Margin[1] percentage for the fourth quarter ended December 31, 2023 decreased to 43.7% compared to Adjusted Gross Margin[1] percentage of 51.3% in the fourth quarter ended December 31, 2022 and 46.1% in the third quarter ended September 30, 2023. The decrease in Adjusted Gross Margin[1] percentage is driven by the Company's increase in Patient Services revenue, most notably from recruitment related revenue from the acquisition of CarePlus, which has lower margins compared to other patient services and virtual services revenue.

G&A expenses increased to $68,436 for the fourth quarter ended December 31, 2023, compared to $58,852 and $65,204 for the fourth quarter ended December 31, 2022 and the third quarter ended September 30, 2023, respectively. The increases were primarily due to an increase in salary and benefits from additional headcount as a result of acquisitions and at the Company's headquarters.

For the fourth quarter ended December 31, 2023, the Company incurred $2,654 of transaction and integration costs related to its M&A activities, compared to $192 and $2,862 for the fourth quarter ended December 31, 2022 and the third quarter ended September 30, 2023, respectively. The transaction and integration costs are included in G&A expenses as professional and consulting fees and salaries and benefits.

For the fourth quarter ended December 31, 2023, the Company recognized $6,386 of stock-based compensation expense, compared to $4,934 and $7,043 for the fourth quarter ended December 31, 2022 and the third quarter ended September 30, 2023, respectively.

During the fourth quarter ended December 31, 2023, on October 1, 2023, the Company completed the acquisition of Proack and the HEALWELL transaction. The Company recognized a fair value gain of $39,920 on its investments in HEALWELL and $2,640 on its other venture investments in the fourth quarter ended December 31, 2023.

Depreciation and amortization for the quarter ended December 31, 2023 was $16,756 compared to $14,100 for the fourth quarter ended December 31, 2022 and $15,449 for the third quarter ended September 30, 2023.

Net income for the fourth quarter was $33,762, compared to a net income of $22,084 in the fourth quarter ended December 31, 2022 and a net loss of $4,482 in the third quarter ended September 30, 2023.

FINANCIAL POSITION

Total assets of the Company as at December 31, 2023 were $1,409,302, representing a $90,271 increase from $1,319,031 as at December 31, 2022. The change related primarily to the Company's investments measured at fair value through profit and loss which increased by $50,534 and an increase in right-of-use assets which increased by $18,105 as a result of new leases signed or acquired in 2023.

Total liabilities of the Company as at December 31, 2023 were $563,156, representing a $59,376 increase from $503,780 as at December 31, 2022. The increase related primarily to loans and borrowings, as well as lease liabilities from acquisitions during 2023.

Net working capital, defined as current assets less current liabilities increased to $23,443 as at December

31, 2023, compared to $14,374 at December 31, 2022.

Equity attributable to owners of WELL as at December 31, 2023 increased to $767,666, compared to $732,344 as at December 31, 2022. The net increase of $35,322 was mainly due to the issuance of shares in business combinations and for settlement of deferred acquisition costs and time-based earnout liabilities, as well as stock-based compensation and net income for the year. There was a decrease from foreign currency translation of foreign operations as a result of the weakening of the U.S. dollar compared to the Canadian dollar during the year.

LIQUIDITY AND CAPITAL RESOURCES

Sources of liquidity

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

The Company had cash and cash equivalents of $43,423 as at December 31, 2023 and $48,908 as at December 31, 2022. Based on its cash position, principal sources of liquidity and operating budget, the Company believes that it will have sufficient liquidity to enable the Company to meet its anticipated operating, debt service, growth, investment and other financial requirements for at least the next twelve months from the date of issuance of this Annual MD&A.

Cash flows

The following table summarizes the Company's cash flows for the years ended December 31, 2023 and 2022:

	Years ended	
	December 31, 2023	December 31, 2022
	$'000	$'000
Cash provided by operating activities	**66,437**	76,546
Cash used in investing activities	**(81,315)**	(37,926)
Cash provided by (used in) financing activities	**10,628**	(52,847)
Effect of foreign currency on cash and cash equivalents	**(532)**	1,216
Net change in cash and cash equivalents	**(4,782)**	(13,011)
Cash reclassified to assets held for sale	**(703)**	-
Cash and cash equivalents, beginning of year	**48,908**	61,919
Cash and cash equivalents, end of year	**43,423**	48,908

Operating activities

During the year ended December 31, 2023, the Company generated $66,437 of cash from operating activities. Comparatively, during the year ended December 31, 2022, the Company generated $76,546 of cash from operating activities. The decrease in cash provided by operating activities was mainly due to higher interest and tax payments in 2023 and to changes in working capital items, primarily from accounts payable and accrued liabilities.

Investing activities

During the year ended December 31, 2023, the Company used $81,315 on investing activities, as compared to $37,926 for the year ended December 31, 2022. This included:

(i) $8,107 used on the acquisition of property and equipment for the year ended December 31, 2023 (2022 - $6,404);
(ii) $66,139 used on business and asset acquisitions for the year ended December 31, 2023 (2022 - $16,506, mainly related to CRH transactions);
(iii) $11,563 received for proceeds on the disposal of WOSA and other assets for the year ended December 31, 2023 (2022 – $16,510);
(iv) $6,641 used on the purchase of equity and debt investment in associates and other for the year ended December 31, 2023 (2022 – nil);
(v) $1,551 used on other transactions with non-controlling interests for the year ended December 31, 2023 (2022 – nil);
(vi) $880 used on working capital holdback settlements for the year ended December 31, 2023 (2022 - $185); and
(vii) $9,560 used on deferred acquisition cost payments for the year ended December 31, 2023 (2022 - $31,241).

Financing activities

During the year ended December 31, 2023, the Company generated $10,628 on financing activities compared to using $52,847 for the year ended December 31, 2022. The Company received net proceeds of $51,355 from loans and borrowings under its credit facilities during the year ended December 31, 2023, as compared to net repayments of $49,208 under its credit facilities for the year ended December 31, 2022. During the year ended December 31, 2023, the Company paid $25,101 to non-controlling interests (2022 – $23,070) and $13,410 in lease payments (2022 - $10,276).

Loans and Borrowings

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

	December 31, 2023 $'000	December 31, 2022 $'000
CRH syndicated credit facility with JPM:		
Revolving loan	**145,873**	178,394
Term Loan	**69,106**	
MyHealth and Canadian Clinics syndicated credit facility with RBC:		
Revolving loans	**37,400**	28,400
Term loan	**44,375**	46,875
Other loans and borrowings	**722**	654
Less: Financing fees	**(1,875)**	(1,849)
Total Loans and Borrowings	**295,601**	252,474

Credit facilities:

The Company, through its wholly-owned subsidiaries, holds a syndicated four-year credit facility with JPM as syndicate lead which provides up to US$175 million in borrowing capacity and access to an accordion feature that increases the amount of the credit available to the Company by US$125 million. Until March 26, 2023, interest on the facility was calculated with reference to 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 with JPM 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. The amended JPM facility is secured by the assets of CRH and matures on January 26, 2027. As of December 31, 2023, the Company had drawn $214,979 (US$162,543) under this facility (December 31, 2022 – $178,394 (US$131,704)). The syndicated credit facility with JPM was re-financed on January 26, 2024. See "Events Subsequent to December 31, 2023" above for further information.

The Company, through its wholly-owned subsidiaries, WELL Health Clinics Canada Inc. ("**WHCC**") and MyHealth and, holds a syndicated five-year revolving credit facility and a term loan with RBC as syndicate lead which provides up to $90 million under a 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 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. As of December 31, 2023, the Company had drawn $81,775 under this facility (December 31, 2022 – $75,275). In March 2024, the Company completed an amendment to its syndicated credit facility to replace CDOR with the Canadian Overnight Repo Rate Average ("CORRA").

Debt covenants:

The Company's syndicated credit facilities are subject to certain customary positive and negative covenants, as well as financial covenants based on the consolidated financial results of CRH, WHCC and MyHealth. The Company was in compliance with all positive, negative and financial covenants and other terms and conditions under its syndicated credit facilities as of December 31, 2023 and 2022.

Summary of contractual obligations

		Undiscounted payments due by period			
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
At December 31, 2023	**$'000**	$'000	$'000	$'000	$'000
Deferred acquisition costs and time-based earnouts	**35,638**	16,240	19,398	-	-
Lease obligations' minimum payments	**95,306**	18,670	32,644	23,362	20,630
Accounts payable and accrued liabilities	**47,877**	47,877	-	-	-
Working capital holdbacks	**688**	688	-	-	-
Other current and non-current liabilities	**23,976**	20,399	3,577	-	-
Loans and borrowings	**296,754**	6,137	290,617	-	-
Convertible debentures	**81,550**	3,850	77,700	-	-
	581,789	**113,861**	**423,936**	**23,362**	**20,630**

Update on prior use of proceeds disclosure

The Company anticipated that it would use the net proceeds from the bought deal private placement for future acquisitions, deferred acquisition costs and time-based earnout payments ("**DAC/TBE**") associated with its acquisitions, interest payments, working capital and general corporate purposes. To date, the Company continues to proceed towards its original business objectives for such funds as follows:

Equity/Debt financing	**Date**	**Purposes**	**Proposed use of proceeds $'000**	**Actual use of proceeds $'000**
Bought deal financing	May 2022	Acquisition purposes and debt repayment	28,000	21,908 [(1)]

Note:

(1) TBE and Q4 2022 interest on convertible debentures; Q4 2023 acquisitions and investments; and remaining amount for future use.

TRANSACTIONS WITH RELATED PARTIES AND KEY MANAGEMENT

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel 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, 2023 and 2022 was as follows:

	Years ended	
	December 31, 2023	December 31, 2022
	$’000	$’000
Salaries[1]	**1,000**	950
Directors’ fees	**240**	240
Stock-based compensation expense[2]	**8,676**	5,339
	9,916	6,529

Notes:
(1) $500 to the CEO, $250 to the CFO and $250 to the COO for the year ended December 31, 2023; $450 to the CEO, $250 to the CFO and $250 to the COO for the year ended December 31, 2022.
(2) Reflects the amount recorded as an expense in the audited annual consolidated statements of income (loss). The fair value of stock-based compensation is measured at the grant date using an option pricing model and is recognized as an expense over the vesting period. $5,616 to the CEO, $1,103 to the CFO, $614 to the COO, and $1,343 to the Board of Directors for the year ended December 31, 2023; and $2,874 to the CEO, $1,431 to the CFO, $457 to the COO, and $577 to the Board of Directors for the year ended December 31, 2022.

During the year ended December 31, 2023, the Company granted 1,696,979 RSUs (1,220,771 to the CEO, 112,157 to the CFO, 104,051 to the COO, and 260,000 to the Board of Directors), and 408,518 PSUs (208,518 to the CEO, 100,000 to the CFO, and 100,000 to the COO). For the year ended December 31, 2022, the Company granted 339,771 RSUs (119,274 to the CEO, 47,709 to the CFO, 33,396 to the COO and 139,392 to the Board of Directors), 200,379 PSUs (119,274 to the CEO, 47,709 to the CFO and 33,396 to the COO) and 100,000 stock options (all to the Board of Directors).

Included in other current assets as at December 31, 2023 and December 31, 2022 is $6,808 ($4,231 from the CEO, $1,531 from the CFO, and $1,046 from the COO) and $4,426 ($2,489 from the CEO, $857 from the CFO, $1,046 from the COO, and $34 from the Board of Directors), respectively, of receivables from related parties. These receivables were primarily due to payroll taxes on stock issuance with respect to the RSUs for the related parties.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Revenue recognition

Estimates are required in the determination of anesthesia services revenues and certain Patient Services revenues and the recoverability of the related accounts receivable. The Company recognizes anesthesia service revenues and certain Patient Services revenues net of contractual adjustments and implicit price concessions, which are estimated based on the historical trend of cash collections and contractual adjustments.

Impairment testing of goodwill and other intangible assets

The Company tests at least annually whether goodwill and indefinite lived intangibles have suffered any

impairment, in accordance with the requirements of IAS 36 Impairment of Assets. The recoverable amounts of cash-generating units (CGUs) or groups of CGUs are determined based on the greater of their fair value less costs of disposal and value in use. These calculations, which include a discounted cash flow model, require the use of estimates.

For the purposes of impairment testing, assets are grouped into CGUs that have been identified as being the smallest identifiable group of assets that generate cash inflows that are independent of cash inflows of other assets or groups of assets. The determination of these CGUs and the allocation of goodwill to CGUs or groups of CGUs is based on management's judgment with regards to organizational structure, shared resources and infrastructure, geographical proximity, product type and other relevant factors.

Value in use calculations require management to make certain assumptions, including significant estimates about forecasted revenue levels and growth rates, operating margins, and discount rates. In arriving at its forecasts, the Company considered historical performance, current industry trends, and market opportunities.

Investment in subsidiaries and associates

When accounting for its investments in other entities, the Company must determine which entities it controls and over which entities it has significant influence. Control over a subsidiary exists when the Company is exposed to and has the rights to variable returns of the subsidiary and has the ability to affect those returns through its power over the entity. Significant influence exists when the Company has the power to participate in the financial and operating policy decisions of an entity but does not control or jointly control those policies. The Company applies considerable judgment when evaluating the relevant interests, rights, relationships, and other relevant factors to determine whether it controls another entity or has significant influence over another entity.

Business combinations

On the completion of business acquisitions, management's judgment is required to estimate the fair value of purchase consideration and to identify and estimate the fair values of assets, liabilities, and non-controlling interests. The determination of the fair value of assets and liabilities acquired is based on management's estimates using the excess earnings method and relief from royalty method to value intangible assets using discounted cash flow models. Significant assumptions include revenue growth rates, customer attrition and discount rates.

Recognition of contingent consideration

In certain acquisitions, the purchase consideration transferred by the Company may include contingent consideration which is subject to the acquired business achieving certain performance targets. At the date of acquisition and at each subsequent reporting period, the Company estimates the future performance of acquired businesses, which are subject to contingent consideration, in order to assess the probability that the acquired business will achieve its performance targets and thus earn its contingent consideration. Any change in the fair value of the contingent consideration classified as either a deferred acquisition cost liability at the date of acquisition or as a time-based earnout recognized as expense over time during the post-acquisition requisite service period is included in net income or loss in the period that the change is determined. Changes in fair value arise as a result of various factors, including the estimated probability of the acquired business achieving its earnings targets.

Initial recognition of right-of-use assets, lease receivable and liability

The preparation of 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 as at December 31, 2023. 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 and the Company's deferred acquisition cost liabilities, and the resulting change in fair value of investments as reported in the consolidated statement of income (loss).

Hedge accounting

The Company applies judgment when assessing whether a hedging relationship meets the criteria to qualify for hedge accounting and when assessing ongoing hedge effectiveness requirements. Hedge accounting is discontinued when a hedging relationship ceases to meet the qualifying criteria including when the hedging instrument or hedged item ceases to exist as a result of maturity, expiry or termination. The fair values of hedging instruments, which can fluctuate from period to period, are primarily derived from credit risk adjusted valuation models. When hedge accounting is not applied to a hedging relationship, the changes in fair value during the period are recognized immediately in earnings and can result in significant variability in net income (loss).

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets and financial liabilities, including derivatives, are recognized in the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. On initial recognition all financial instruments are recognized at fair value and are subsequently measured based on their classification.

a. Classification of financial instruments

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

	December 31, 2023	December 31, 2022
Financial assets at amortized cost	**$'000**	$'000
Cash and cash equivalents	**43,423**	48,908
Accounts and other receivables	**94,991**	78,914
Lease receivable	**2,959**	2,448
Other current and non-current assets	**25,880**	24,294
	167,253	154,564
Financial assets at fair value through profit or loss ("FVPL")		
Equity and debt investments	**56,170**	5,636
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**47,877**	50,728
Loans and borrowings	**295,601**	252,474
Lease liability	**81,261**	61,263
Other current and non-current liabilities	**23,840**	18,233
	448,579	421,195
Financial liabilities at fair value through profit or loss ("FVPL")		
Deferred acquisition costs	**37,071**	38,497
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, 2023 and 2022.

Financial instruments carried at amortized cost:

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

The Company's loans and borrowings, which are mainly comprised of the JPM facility and the RBC facility, are floating rate instruments which are based on SOFR/CDOR plus 1.25% to 3.25% dependent on CRH's total leverage ratio and WHCC and MyHealth's total funded debt to EBITDA ratio. The Company has estimated the fair value of these financial instruments to be $218,044 (US$164,860) for the JPM facility, and $81,775 for the RBC facility as at December 31, 2023 based on a discounted cash flow analysis using Level 2 directly observable market inputs.

Financial instruments carried at fair value:

The Company's investments in Phelix, Twig, Bright, Tap Medical, Tali.ai, Cherry Health, doctorly, ORX, Graphium, HEALWELL (excluding the Company's equity investment), and an anesthesia revenue cycle management organization 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, expected terms and restriction period discounts) and iterative equations, as applicable. As at December 31, 2023 and December 31, 2022, the fair value of investments classified as financial assets at FVPL was $56,170 and $5,636, respectively.

The Company's deferred acquisition cost liabilities are estimated using discounted earnings models that use unobservable inputs for revenue and expense 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 a market approach, based on the difference between contracted foreign exchange rates and quoted forward exchange rates as of the reporting date.

There were no foreign currency forward contracts outstanding as at December 31, 2023. As at

December 31, 2023, the carrying value of the interest rate swap was a liability of $824 (December 31, 2022, a liability of $369 related to forward currency forward contracts).

c. Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument 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 is established or adjusted, as necessary, using a combination of the specific identification method, historic collection patterns and existing economic conditions. 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 thus credit risk is considered to be limited.

As at December 31, 2023, the Company had accounts and other receivables of $94,991 (December 31, 2022 - $78,914), net of expected credit losses of $3,000 (December 31, 2022 - $3,691).

The aging of gross trade accounts receivable as at December 31, 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
	$'000	$'000
Not past due	**50,221**	40,351
Past due 1 - 30 days	**12,472**	12,330
Past due 31 - 90 days	**9,336**	8,766
Past due 90+ days	**22,218**	20,564
Trade accounts receivable	**94,247**	82,011
Other accounts receivable	**3,744**	522
Total gross accounts receivable	**97,991**	82,533

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

	$'000
Balance as at December 31, 2021	1,091
Amounts written off and other	(10,041)
Net remeasurement of loss allowance	12,428
Foreign exchange translation	141
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**

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 generated operating losses and net cash outflows from operations, and has relied on equity, convertible debentures, and bank borrowings to fund its operations and acquisitions and will need to continue to secure additional funding for operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that financing will be on terms advantageous to the Company.

Interest rate risk

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

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

On March 3, 2023, the Company designated the interest rate swap in a qualifying hedging relationship and applied hedge accounting as a cash flow hedge in accordance with its accounting policy. During the year ended December 31, 2023, the Company recognized a fair value loss of $824 in other comprehensive loss in relation to the interest rate swap agreement. The carrying value of the interest rate swap agreement was a liability of $824 as at December 31, 2023.

As of December 31, 2023, the Company's credit facility with RBC referenced the Canadian Dollar Offered Rate ("CDOR") as the benchmark interest rate for Canadian dollar borrowings. In May 2022, the administrator of CDOR announced that it will cease its publication after June 28, 2024. Accordingly, in March 2024, the Company completed an amendment to its syndicated credit facility to replace CDOR with the Canadian Overnight Repo Rate Average ("CORRA"). As of December 31, 2023, the Company has $81,775 of Canadian dollar borrowings outstanding subject to CDOR and does not expect the change in benchmark interest rate to have a significant impact on its consolidated financial statements.

With all other variables held constant, a 10% upward movement in the interest rate would have reduced net income by approximately $1,220 for the year ended December 31, 2023. 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, 2023.

The Company had the following foreign currency forward contracts outstanding as at December 31, 2022:

(i) a foreign currency forward contract to sell US$7,000 on January 13, 2023 at an exchange rate of 1.3512 CAD/USD. The carrying value of the forward contract was a liability of $22 as at December 31, 2022.

(ii) an at maturity variable rate foreign currency forward contract to sell US$5,000 on April 4, 2023 if the prevailing CAD/USD spot rate on April 3, 2023 fell outside a specified range. The carrying value of the at maturity variable rate forward contract was a liability of $347 as at December 31, 2022. In 2023, the Company extended the foreign currency forward contract and unwound it on July 4, 2023 for a loss of $75.

The Company has foreign currency subsidiaries and a 10% movement in foreign exchange rates versus the U.S. dollar would result in approximately $1,339 change in the Company's net income for the year ended December 31, 2023 (excluding the impact of foreign currency forward contracts revaluation).

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

In 2021, WELL developed and launched its ESG Program which is an integral part of the Company's growth strategy and reflects its ongoing commitment to delivering on its mission, vision, and purpose. In 2023, S&P Global Corporate Sustainability Assessment acknowledged the Company's efforts, reflecting a significant improvement from the previous year. Similarly, Sustainalytics' rankings demonstrated a remarkable leap, indicating dedication to enhancing ESG practices by WELL Health. Also in 2023, WELL was independently certified as a Great Place to Work® by the Great Place to Work Institute® Canada, an achievement that reflects the company's strong commitment to creating a workplace culture centered on trust, inclusivity, and employee well-being, aligning with its 'Healthy Place to Work' ESG strategy pillar. Key Highlights from the latest ESG report include increased digitization and efficiency in care delivery using AI and other leading-edge technologies, as well as enhanced efforts to help the healthcare industry improve its security and privacy posture.

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

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

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

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

DISCLOSURE OF OUTSTANDING SHARE DATA

As at March 20, 2024 the Company had the following securities issued and outstanding:

Description of Security	Number of Securities Outstanding	Additional Comments
Common Shares	245,627,277	
Stock Options	1,723,373	Exercisable at prices ranging from $0.43 to $3.25
RSUs	5,524,976	
PSUs	3,670,427	
Convertible debentures	7,583,966	
Total, Fully Diluted	**264,130,019**	

RISKS AND UNCERTAINTIES

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

1. **Business concentration by region -** The Company processes a significant amount of primary patient services transactions and earns a majority of its revenue stream from two geographic locations, being the Provinces of British Columbia and Ontario, Canada. In the U.S., revenues are spread across 50 states. If economic, regulatory, legislative, or other factors affecting the Company's business were to adversely change, the revenues of the Company would be negatively impacted.

2. **The Company is reliant on its key personnel –** The Company's success depends substantially on its small number of officers and executives, including Hamed Shahbazi as the CEO and Chairman, Eva Fong as the CFO, and Amir Javidan as the COO. If the Company lost the services of one or more key executive members, its ability to implement its business plan could be severely impaired.

3. **Cybersecurity –** The Company relies on digital and internet technologies to conduct and expand its operations, including reliance on information technology to process, transmit and store sensitive and confidential data, including protected health information, personally identifiable information, and proprietary and confidential business performance data. As a result, the Company and/or its customers are exposed to risks related to cybersecurity. Such risks may include unauthorized access, use, or disclosure of sensitive information (including confidential patient health records), corruption or destruction of data, or operational disruption resulting from system impairment (e.g., malware and

ransomware). Third parties to whom the Company outsources certain functions, their service providers and subcontractors, and third parties with whom their systems interface, are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information and business systems. A breach or attack affecting a third-party service provider or partner could harm the Company's business even if the Company does not control the service that is attacked or directly contract with an affected entity. For instance, the February 2024 ransomware attack against Change Healthcare, a unit of UnitedHealth Group, directly affected the Company's collections of receivables, as its primary revenue cycle management vendor utilized Change Healthcare as a clearing house.

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

4. **The Company and its subsidiaries are currently defending various claims, and may be subject to a further lawsuits, mediations, arbitrations, regulatory investigations, and other proceedings in the future** - Due to the jurisdictions in which the Company operates and the nature of its businesses, including without limitation the Company's operations in the medical industry, omni-channel patient services, and virtual services, the Company and its subsidiaries are currently facing claims in both Canada and the U.S., and may be subject to further investigations, claims, arbitrations, lawsuits (including class-action lawsuits) or other dispute resolution proceedings by private and public entities in the ordinary course of its business (collectively, the "**Proceedings**"). The results of all these existing and future Proceedings cannot be predicted with certainty due to the nature of the dispute resolution process, particularly as the law surrounding the medical industry, virtual services, artificial intelligence, and privacy evolves across jurisdictions. New standards, legal theories, and causes of action emerge and the possibility that new decisions may be reversed on appeal result in uncertainty for the Company. Depending on the cost of any negotiated settlement, damages, fines or penalties, the Company's insurance may not be sufficient to cover such amounts, and the Company or its subsidiaries would be required to cover the difference of any such amount.

   Existing Proceedings which may have a material effect on the Company for which insurance coverage is not sufficient to cover all costs and damages being claimed, are a series of claims initiated against the Company's subsidiary WISP: a class action filed in November 2023 within the Northern District of California, and individual arbitrations commenced in January 2024, all alleging that pixel tracking technologies on WISP's website illegally collected and disclosed personal health information to Meta

Platforms, Inc. d/b/a Facebook, Google, Bing/Microsoft, and TikTok Inc., allegedly violating privacy, wiretapping, and unfair business practices laws and standards of care across the U.S. Current insurance coverage is not sufficient to cover the total amount for which WISP may be responsible. While management is of the opinion that WISP has good defences against the above matter, should the ultimate resolution of these matters differ from management's assessments and assumption, a material adjustment to WISP's financial position and the results of its operations, including cash flows, would result. Depending on the amount of any damages awarded and provided it is not possible for WISP to raise capital, WISP may be unable to satisfy such award and will need to seek court protection to continue to operate. It is important to note that WISP is currently unlevered and does not have a guarantee from the Company as the Company is only a majority owner of WISP.

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

6. **The Company relies on third parties to provide some of its services and its business will be harmed if it is unable to provide these services in a cost-effective manner -** The Company relies heavily on third parties such as its IT and EMR vendors/partners, medical supplies vendors to provide some of its goods and services. If these third parties were unable or unwilling to provide these goods and services in the future, or provide these goods and services less cost effectively due to inflation, WELL would need to obtain such goods or services from other providers if they are available. This could cause the Company to incur additional costs or cause material interruptions to its business until these goods and services are replaced, if possible.

7. **Acquisitions and integration of new businesses create risks and may affect operating results -** The Company may acquire additional businesses. The Company's M&A strategy involves a number of risks related to the realization of synergies and overall integration of the Company's operations, including but not limited to, human resources, company culture, product pricing,

information technology, data integrity, information systems, business processes and financial management.

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

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

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

11. **Confidentiality of personal and health information -** The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients, whether or not such a breach of privacy were to have occurred as a result of the Company’s employees or arm’s length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation in any jurisdiction in which it operates, in addition to the reputational risk of such violation, it could be liable for damages as a result of claims initiated by affected individuals, and/or fines or penalties issued by governmental authorities.

12. **The COVID-19 pandemic and other general risks and uncertainty related to natural disasters, pandemics or other catastrophic events -** Catastrophic events in general can have a material impact on the potential continuity of the business. The potential resurgence of COVID-19, or the emergence of another global pandemic, could adversely affect our patient care operations, as healthcare providers may have heightened exposure to COVID-19 if an outbreak occurs in their geography. The Company's ability to provide health care services may be adversely affected or disrupted as a result of changing patient intake patterns and needs as well as reduced availability of physicians and/or support staff. Further, an outbreak could result in adverse effects on our business and operations due to prioritization of clinic resources toward the outbreak or if quarantines and/or restrictions (such as travel restrictions) impede physician, staff or patient movement or interrupt healthcare services. In addition, the Company relies on third-party service providers to assist them in managing, monitoring and otherwise carrying out aspects of its business and operations, and the outbreak may affect their ability to devote sufficient time and resources to our programs or to travel to sites to perform work for the Company. The Company's third-party contract supplier organizations' ability to deliver on a timely basis our required medical and other supplies such as personal protective equipment may also be limited or affected materially. Such events may result in a period of business disruption, reduced operations, any of which could materially affect our business, financial condition and results of operations. The Company's ability to serve patients remotely via telehealth services could be affected by technology vulnerabilities and/or glitches that could impede the ability for physicians and patients to access and/or utilize the software reliably.

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

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

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

16. **Technological change -** The Company operates in a highly competitive environment where its software and other products and services are subject to rapid technological change and evolving industry standards. The Company's future success partly depends on its ability to acquire, design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry and its customers' increasingly sophisticated needs.

17. **Potential for software system, database or network related failures or defects -** The Company relies on software systems, databases and networks to process, transmit and store digital information. The Company also relies on technological solutions from a number of vendors and business units to effectively work together in order to deliver its digital solutions and services to its customers. A software bug, failure or defect may negatively impact software systems, databases and networks from operating properly which could result in the inability of our customers from receiving our products for an indeterminate period of time.

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

19. **Stock market volatility -** There can be no assurance that an active and liquid market for the Company's common shares will be maintained and investors may find it difficult to resell the common shares. The market price of the Company's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company and its subsidiaries, general economic conditions, legislative changes, the impacts of any short selling activities on supply and demand for the Company's common shares, and other events and factors outside of the Company's control. In addition, stock markets have from time-to-time experienced extreme price and volume fluctuations, which could adversely affect the market price for the Company's common shares. As the Company operates a highly accretive M&A program with acquisitions partly funded by the

Company's common shares, a decline in the Company's share price could adversely affect the Company's pace of acquisitions and M&A activity.

20. **Changes to payment rates or methods of third-party payors may adversely impact profitability –** Changes in payment rates, including U.S. government healthcare programs, changes to the U.S. laws and regulations that regulate payments for medical services, the failure of payment rates to increase as costs increase, or changes to payor mix, could adversely affect operating margins and revenues. The Company provides anesthesia services primarily through fee for service payor arrangements. Under these arrangements, the Company collects fees directly through the entities at which anesthesia services are provided, and assumes financial risks related to changes in third-party reimbursement rates and changes in payor mix. The Company's revenue decreases if the volume or reimbursement decreases, but the expenses may not decrease proportionately. The Company depends primarily on U.S. government, third party commercial and private and governmental third-party sources of payment for the services provided to patients. The amount that the Company receives for our services may be adversely affected by market and cost factors, as well as other factors over which it has no control, including changes to the Medicare and Medicaid payment systems. U.S. health reform efforts at the federal and state levels may increase the likelihood of significant changes affecting U.S. government healthcare programs and private insurance coverage. U.S. Government healthcare programs are subject to, among other things, statutory and regulatory changes, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels and the method of calculating payments or reimbursements, all of which could materially increase or decrease payments that the Company receives from these government programs.

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

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedarplus.ca.

FORWARD-LOOKING INFORMATION

Certain statements in this Annual MD&A constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information includes, but are not limited to, the Company's goals, expected costs, objectives, growth strategies, merger and acquisition program, improving the patient experience, obtaining operational efficiency, improving overall care performance, the intention to be an active acquirer within the healthcare services and digital health technologies, maximizing income potential from health clinics, the acquisition of additional health clinics and technologies, the ability to obtain cost efficiencies and improvements through synergies, the use of technology in the Company's business activities, opportunities to leverage its investments in third party technology platforms, the benefits of using open source based technology solutions, the share purchase agreements in respect of its acquisitions, expectations of future revenue and adjusted gross margins, as well as information with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning

anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects the management's current beliefs and are based on information currently available to management.

Forward-looking information involves risks and uncertainties that could cause actual results to differ materially from those contemplated by such information. Factors that could cause such differences include the highly competitive nature of the Company's industry, material adverse consequences of the COVID-19 pandemic, government regulation and funding and other such risk factors described herein and in other disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Company's forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking information. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking information. The factors underlying current expectations are dynamic and subject to change.

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

FUTURE-ORIENTED FINANCIAL INFORMATION

This Annual MD&A contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") including projected 2024 annual revenue, Adjusted EBITDA, profitability on an Adjusted Net Income basis and estimated annual revenue run-rate, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set out in this Annual MD&A. The actual financial results of WELL may vary from the amounts set out or projected herein and such variation may be material. WELL and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, WELL undertakes no obligation to update such FOFI. FOFI contained in this Annual MD&A was made as of the date hereof and was provided for the purpose of providing further information about WELL's anticipated future business operations on an annual basis. Readers are cautioned that the FOFI contained in this Annual MD&A should not be used for purposes other than for which it is disclosed herein.