

WELL Health to Acquire Majority Stake in Spring Medical Centre

- Spring Medical Centre is one of BC's leading providers of integrative health services, offering a wide range of services to patients all in one location. Since inception, Spring Medical has provided services to approximately 27,000 patients.
- This transaction will be immediately accretive to WELL. In the past 12 months, Spring Medical has generated more than \$2.3 million in revenues with EBITDA¹ margins exceeding 10%.
- Spring Medical is an example of an innovative integrated health clinic concept that will broaden WELL's footprint of medical clinics and expand the number of healthcare services offered by WELL.

VANCOUVER, Oct. 23, 2019 /CNW/ - WELL Health Technologies Corp. (TSX.V: WELL) (the "**Company**" or "**WELL**"), a company focused on consolidating and modernizing clinical and digital assets within the primary healthcare sector, is pleased to announce it has entered into a definitive share purchase agreement dated October 22, 2019 (the "**Agreement**") with the shareholder of Spring Medical Centre Ltd. ("**Spring Medical**"), a private British Columbia corporation, pursuant to which WELL has agreed to acquire 51% of the issued and outstanding shares of Spring Medical (the "**Transaction**"). The remaining 49% of the issued and outstanding shares of Spring Medical will be retained by the former shareholder of Spring Medical (the "**Vendor**"), who will continue to operate the company on a post-closing basis.

"Spring Medical has a very unique approach to integrative patient care and will broaden the umbrella of medical services offered by WELL," said Hamed Shahbazi, Chairman and CEO of WELL. "We are excited at the prospect of becoming a majority shareholder of Spring Medical and look forward to working with the Spring Medical team of care providers led by Dr. Nima Sakian. WELL's business expertise and shared services resources will position Spring Medical for future growth."

Under the terms of the Agreement, the total consideration payable by WELL in connection with the Transaction is \$667,000, and will be allocated as follows: (i) \$333,500 cash payment, 7.5% of which will be deposited into escrow pursuant to the terms of an escrow agreement; (ii) \$133,400 paid by the issuance of common shares in the capital of WELL at a deemed price per share of \$1.33 being equal to the prior 5-day volume-weighted average trading price of WELL's common shares immediately prior to the public announcement of the Transaction, subject to the policies of the TSX Venture Exchange (the "**TSXV**"); and (iii) \$200,100 payable by WELL to the Vendor in cash during a time based earn-out period of 3 years. WELL shall have the right to acquire the remaining shares it doesn't acquire as part of the Transaction pursuant to a call option.

Spring Medical, based out of Burnaby, BC, is a premier provider of integrated medical services. Spring Medical offers an extensive range of services including family physician, pediatrician, physiotherapy, chiropractic, acupuncture, massage therapy, reflexology, hearing aid specialist, counselors and many more. Spring Medical streamlines the process of providing health services to patients by having a wide range of services available in one convenient location. In the past 12 months, Spring Medical has generated more than \$2.3 million in revenues with EBITDA¹ margins exceeding 10%. Spring Medical currently provides services to approximately 27,000 patients in all areas of care.

"We are looking forward to joining the WELL Health network of clinics", said Dr. Sakian. "Having practiced medicine for almost 10 years in British Columbia, I believe WELL has the right approach and tools to deliver technology solutions to successfully modernize clinics across Canada. Working

with WELL will allow Spring Medical to provide better health outcomes for patients."

Closing of the Transaction is subject to a number of conditions, including receipt of any necessary corporate and regulatory approvals, including the approval of the TSXV. All shares to be issued in the Transaction will be issued pursuant to an exemption from applicable securities laws and as such shall be subject to a restricted period of four months and one day. There are no finder's fees payable in connection with the Transaction. The Company anticipates that the Transaction will constitute an Expedited Transaction in accordance with the policies of the TSXV.

1. Unaudited EBITDA is a Non-GAAP measure. Earnings before interest, taxes, depreciation and amortization ("EBITDA") should not be construed as alternatives to net income/loss determined in accordance with IFRS. EBITDA does not have any standardized meanings under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company believes that EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives.

WELL HEALTH TECHNOLOGIES CORP.

Per: "[Hamed Shahbazi](#)"

Hamed Shahbazi

Chief Executive Officer, Chairman and Director

About WELL

WELL is a unique company that operates Primary Healthcare Facilities as well as a significant EMR or Electronic Medical Records business that supports the digitization of such clinics. WELL wholly owns and operates 20 medical clinics and provides digital Electronic Medical Records (EMR) software and services to 852 medical clinics across Canada. WELL's overarching objective is to empower doctors to provide the best and most advanced care possible leveraging the latest trends in digital health. WELL is publicly traded on the TSX Venture Exchange under the symbol "WELL.V". WELL was recognized as a TSX Venture 50 Company in 2018 and 2019.

Forward-Looking Statements

This news release may contain "forward-looking statements" within the meaning of applicable Canadian securities laws, including, without limitation: that Spring Medical's unique approach to integrative patient care will broaden the umbrella of medical services offered by WELL; that Spring Medical will provide better outcomes for patients by working with WELL; the closing of the Transaction; the Company obtaining all consents and TSXV approval in order to close; the expectation of Spring Medical being immediately accretive to WELL; and the ability of Spring Medical to continue to sustain revenue growth and provide services to over 27,000 patients; . Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties, and contingencies. These statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause future results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. WELL's statements expressed or implied by these forward-looking statements are subject to a number of risks, uncertainties, and conditions, many of which are outside of WELL's control, and undue reliance should not be placed on such statements. Forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding the Transaction, including: that

WELL's assumptions in making forward-looking statements may prove to be incorrect; adverse market conditions; risks inherent in the primary healthcare sector in general; the inability of WELL to complete the Transaction and related transactions at all or on the terms announced; the TSXV not approving the Transaction; risks relating to the satisfaction of the conditions to closing the Transaction; that future results may vary from historical results; and that market competition may affect the outcome of the Transaction and the business, results and financial condition of WELL following the closing of the Transaction. Except as required by securities law, WELL does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE WELL Health Technologies Corp.

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CNW 08:00e 23-OCT-19