WELL Health

WELL Health Announces Delay in Filing of Annual Audited Financial Statements Due to Matter Related to US Subsidiary Circle Medical

VANCOUVER, BC, March 28, 2025 /CNW/ - WELL Health Technologies Corp. (TSX: WELL) (OTCQX: WHTCF) ("**WELL**" or the "**Company**"), a digital healthcare company focused on positively impacting health outcomes by leveraging technology to empower healthcare practitioners and their patients globally, announces that it will be delaying the filing of its audited annual consolidated financial statements for the year ended December 31, 2024, the related management's discussion and analysis, and related CEO and CFO certificates (collectively, the "**Required Filings**") beyond the March 31, 2025 deadline (the "**Deadline**").

The delay is resulting from the accounting implications related to the Company's non-wholly owned Delaware subsidiary Circle Medical Technologies, Inc. ("**Circle Medical**"), as described in further detail below. In fiscal 2023, Circle Medical contributed a net loss of $1.1 million to WELL's consolidated net income of $16.6 million and contributed less than 2.7% to WELL's consolidated Adjusted EBITDA[(1)].

In September 2024, Circle Medical received a request for the voluntary production of documents and information ("**RFI**") from the Civil Division of the United States Attorney's Office for the Northern District of California ("**USAO**") investigating certain of Circle Medical's billing practices in the US. Circle Medical has been responding to the RFI and engaging with the USAO to address and resolve this matter. Additional information and analysis regarding the impact of the USAO RFI is necessary in order to finalise Circle Medical's financial statements and by extension, the Company's annual consolidated financial statements for the year ended December 31, 2024. The production of information by Circle Medical and analysis by the Company for the financial statements is not expected to be completed prior to the March 31, 2025 filing deadline for the Required Filings.

The Company does not expect the resolution of the matter to have a material effect on the Company's cash position or available resources. The Company and Circle Medical are currently working diligently to finalise the Company's annual consolidated financial statements at the earliest possible date. The Company currently expects to be in a position to file the Required Filings on or before April 15, 2025 (the "**Filing Interval**").

Notwithstanding the foregoing, the Company confirms that it continues to seek strategic alternatives for Circle Medical and is committed to carrying out this process in due course.

The Company has applied to the British Columbia Securities Commission, as principal regulator for the Company, for the imposition of a management cease trade order under National Policy 12-203 – *Management Cease Trade Orders* ("**NP 12-203**") throughout the duration of the Filing Interval. However, there can be no assurance that a management cease trade order will be granted. The management cease trade order, if approved, will not affect the ability of persons who are not or have not been management of the Company to trade in its securities.

WELL confirms that it will satisfy the provisions of the alternative information guidelines under NP 12-203 by issuing bi-weekly default status reports, if necessary, in the form of news releases for so long as it remains in default of the above-noted filing requirements. The British Columbia Securities Commission may issue a general cease trade order against WELL for failure to file the Required Filings within the prescribed time period or sooner if WELL fails to file the prescribed status reports.

Other than as disclosed herein, WELL is up to date in its filing obligations.

Footnote:

1. Non-GAAP Financial Measures – Adjusted EBITDA

   In addition to results reported in accordance with IFRS, the Company uses Adjusted EBITDA as a supplemental indicator of its financial and operating performance. The Company believes this non-GAAP financial measure reflects the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of trends in its business. 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 can be used to fund working capital requirements, service future interest and principal debt repayments, and fund future growth initiatives. Adjusted EBITDA should not be considered an alternative to net income (loss), cash flow from operating activities, or other measures of financial performance defined under IFRS. A reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure can be found in the Company's Fiscal 2023 Annual MD&A.

WELL HEALTH TECHNOLOGIES CORP.

Per: "Hamed Shahbazi"

Hamed Shahbazi

Chief Executive Officer, Chairman and Director

About WELL Health Technologies Corp.

WELL's mission is to tech-enable healthcare providers. We do this by developing the best technologies, services, and support available, which ensures healthcare providers are empowered to positively impact patient outcomes. WELL's comprehensive healthcare and digital platform includes extensive front and back-office management software applications that help physicians run and secure their practices. WELL's solutions enable more than 41,000 healthcare providers between the US and Canada and power the largest owned and operated healthcare ecosystem in Canada with more than 200 clinics supporting primary care, specialized care, and diagnostic services. In the United States WELL's solutions are focused on specialized markets such as the gastrointestinal market, women's health, primary care, and mental health. WELL is publicly traded on the Toronto Stock Exchange under the symbol "WELL" and on the OTC Exchange under the symbol "WHTCF". To learn more about the Company, please visit: **www.well.company**.

Forward-Looking Information

This news release contains "Forward-Looking Information" within the meaning of applicable Canadian securities laws, including, without limitation: statements regarding the grant of a management cease trade order, expected timing of the Required Filings, the impact of the resolution of the USAO RFI on WELL, and the ability to consummate strategic alternatives for Circle Medical. Forward-Looking Information is based on a number of estimates and assumptions are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond WELL's control, which could cause actual results and events to differ materially from those disclosed in this news release. Forward-Looking Information generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe", "goal" or "continue", or the negative thereof or similar variations. Forward-Looking Information involves 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 the Forward-Looking Information and the Forward-Looking Information is not a guarantee of future results or performance. WELL's comments expressed or implied by such Forward-Looking Information 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 information. Forward-Looking Information are qualified in their entirety by inherent risks and uncertainties, including the risk factors identified in documents filed by WELL under its profile at **www.sedar.com**, including its most recent Annual Information Form and its most recent Management's Discussion and Analysis. Except as required by securities law, WELL does not assume any obligation to update or revise any forward-looking information, whether as a result of new information, events or otherwise.

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