WELL HEALTH TECHNOLOGIES CORP.
Condensed Interim Consolidated Financial Statements

June 30, 2024

Expressed in thousands of Canadian dollars

WELL Health Technologies Corp.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited, expressed in thousands of Canadian dollars unless otherwise stated, except per share and share amounts)

	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	$'000	$'000	**$'000**	$'000
Revenue (Note 5)	**243,147**	170,922	**474,709**	340,347
Expenses				
Cost of sales (excluding depreciation and amortization)	**(135,766)**	(80,099)	**(265,108)**	(163,355)
General and administrative (Note 6)	**(75,497)**	(60,603)	**(146,859)**	(117,176)
Depreciation and amortization	**(17,307)**	(14,041)	**(33,867)**	(28,563)
Stock-based compensation (Note 14)	**(4,765)**	(6,134)	**(10,242)**	(12,733)
Foreign exchange gain	**72**	65	**104**	349
Operating income	**9,884**	10,110	**18,737**	18,869
Interest income (Note 7)	**279**	127	**517**	315
Interest expense (Note 7)	**(9,689)**	(7,828)	**(19,230)**	(15,602)
Time-based earnout expense (Note 8)	**(15)**	(1,476)	**(2,127)**	(12,330)
Change in fair value of investments (Note 10)	**116,327**	-	**130,284**	-
Gain on disposal of assets and investments (Note 17)	**-**	1,517	**11,284**	1,517
Share of net income (loss) of associates	**177**	(91)	**(887)**	(188)
Other expense	**(1,946)**	(2,486)	**(4,139)**	(3,143)
Net income (loss) before income tax	**115,017**	(127)	**134,439**	(10,562)
Income tax recovery (expense)	**1,959**	(1,889)	**2,137**	(2,081)
Net income (loss)	**116,976**	(2,016)	**136,576**	(12,643)
Net income (loss) attributable to:				
Owners of WELL Health Technologies Corp.	**111,717**	(5,767)	**126,804**	(20,125)
Non-controlling interests	**5,259**	3,751	**9,772**	7,482
	116,976	(2,016)	**136,576**	(12,643)
Other comprehensive income (loss):				
Items that may be subsequently reclassified to profit or loss:				
Exchange difference on translation of foreign operations	**5,367**	(11,857)	**17,915**	(12,492)
Fair value gain (loss) on derivative instruments designated as cash flow hedges	**288**	(134)	**1,177**	(132)
Reclassification of fair value gain on derivative financial instruments to net income	**(130)**	(68)	**(259)**	(70)
Total comprehensive income (loss)	**122,501**	(14,075)	**155,409**	(25,337)
Total comprehensive income (loss) attributable to:				
Owners of WELL Health Technologies Corp.	**117,130**	(17,711)	**145,420**	(32,700)
Non-controlling interests	**5,371**	3,636	**9,989**	7,363
	122,501	(14,075)	**155,409**	(25,337)
Earnings (loss) per share attributable to WELL Health Technologies Corp.				
Basic	**0.45**	(0.03)	**0.52**	(0.09)
Diluted	**0.43**	(0.03)	**0.48**	(0.09)
Weighted average number of common shares outstanding				
Basic	**246,052,000**	235,434,417	**244,592,722**	233,811,786
Diluted	**262,647,010**	235,434,417	**254,206,013**	233,811,786

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

WELL Health Technologies Corp.
Consolidated Statements of Financial Position
(Unaudited, expressed in thousands of Canadian dollars unless otherwise stated)

As at	**June 30, 2024**	December 31, 2023 (Restated - Note 3)	January 1, 2023 (Restated - Note 3)
	$'000	$'000	$'000
Assets			
Current			
Cash and cash equivalents	**46,550**	43,423	48,908
Accounts and other receivables (Note 9)	**181,485**	94,991	78,914
Inventory	**1,843**	1,180	1,370
Lease receivable	**983**	1,107	568
Prepayments and other assets	**29,178**	21,487	21,117
Assets held for sale	**-**	14,208	-
Total current assets	**260,039**	176,396	150,877
Financial assets at fair value through profit and loss (Note 10)	**186,801**	56,170	5,636
Investment accounted for using the equity method	**18,765**	4,690	4,369
Lease receivable - non-current	**1,629**	1,852	1,880
Prepayments and other assets - non-current	**2,770**	4,393	3,177
Property and equipment	**101,517**	102,540	82,535
Intangible assets (Note 11)	**546,625**	555,200	571,267
Goodwill (Note 11)	**519,548**	508,061	499,290
Total assets	**1,637,694**	1,409,302	1,319,031
Liabilities and equity			
Current			
Accounts payable and accrued liabilities	**61,751**	47,877	50,728
Unearned revenue	**8,590**	6,648	6,797
Loans and borrowings (Note 13(a))	**4,184**	5,264	2,624
Lease liability	**15,567**	14,869	9,107
Convertible debentures (Note 13(b))	**3,850**	3,850	3,850
Deferred acquisition costs (Note 12(a))	**10,552**	14,493	18,229
Other liabilities (Note 12(b))	**103,928**	21,087	17,489
Liabilities associated with assets held for sale	**-**	1,871	-
Total current liabilities	**208,422**	115,959	108,824
Loans and borrowings - non-current (Note 13(a))	**282,732**	290,337	249,850
Lease liability - non-current	**64,323**	66,392	52,156
Convertible debentures - non-current (Note 13(b))	**48,281**	45,571	40,829
Deferred tax liabilities	**11,359**	18,487	30,706
Unearned revenue - non-current	**467**	255	403
Deferred acquisition costs - non-current (Note 12(a))	**12,342**	22,578	20,268
Other liabilities - non-current (Note 12(b))	**2,026**	3,577	744
Total liabilities	**629,952**	563,156	503,780
Equity			
Share capital (Note 14)	**778,586**	751,550	705,186
Contributed surplus (Note 14)	**48,948**	54,048	51,765
Accumulated other comprehensive income	**44,268**	25,652	39,059
Retained earnings (accumulated deficit)	**63,220**	(63,584)	(63,666)
Equity attributable to owners of WELL Health Technologies Corp.	**935,022**	767,666	732,344
Non-controlling interests	**72,720**	78,480	82,907
Total equity	**1,007,742**	846,146	815,251
Total equity and liabilities	**1,637,694**	1,409,302	1,319,031

Commitments and contingencies (Notes 19 and 20)

Approved by the Directors:

"Hamed Shahbazi" *"Thomas Liston"*

The accompanying notes are an integral part of these condensed interim consolidated financial statements.
Certain comparative figures have been reclassified to conform with the current year's presentation as described in Note 3

WELL Health Technologies Corp.
Consolidated Statements of Changes in Equity
(Unaudited, expressed in thousands of Canadian dollars unless otherwise stated, except share amounts)

		Attributable to owners of WELL Health Technologies Corp.						
	Number of shares	Share capital $'000	Contributed surplus $'000	Accumulated other comprehensive income (loss) $'000	Retained earnings (accumulated deficit) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at December 31, 2023	**241,427,825**	**751,550**	**54,048**	**25,652**	**(63,584)**	**767,666**	**78,480**	**846,146**
Stock options exercised (Note 14)	1,573,907	4,923	(1,828)	-	-	3,095	-	3,095
Shares issued for RSUs/PSUs (Note 14)	2,826,434	13,514	(13,514)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs (Note 12(a))	1,767,874	6,899	-	-	-	6,899	-	6,899
Shares issued for time-based earnout payments	537,563	2,144	-	-	-	2,144	-	2,144
Stock-based compensation (Note 14)	-	-	10,242	-	-	10,242	-	10,242
Normal course issuer bid (Note 14)	(119,400)	(444)	-	-	-	(444)	-	(444)
Distributions paid to non-controlling interests	-	-	-	-	-	-	(15,749)	(15,749)
Exchange difference on translation of foreign subsidiaries	-	-	-	17,698	-	17,698	217	17,915
Derivative instruments designated in cash flow hedges	-	-	-	918	-	918	-	918
Net income for the period	-	-	-	-	126,804	126,804	9,772	136,576
Balance at June 30,2024	**248,014,203**	**778,586**	**48,948**	**44,268**	**63,220**	**935,022**	**72,720**	**1,007,742**
Balance at December 31, 2022	**231,047,290**	**705,186**	**51,765**	**39,059**	**(63,666)**	**732,344**	**82,907**	**815,251**
Stock options exercised	769,974	946	(422)	-	-	524	-	524
Shares issued for RSUs/PSUs	2,362,140	12,169	(12,169)	-	-	-	-	-
Shares issued for settlement of deferred acquisition costs	1,801,487	7,951	-	-	-	7,951	-	7,951
Shares issued for time-based earnout payments	597,045	2,396	-	-	-	2,396	-	2,396
Shares issued for consideration in business combinations	152,170	774	-	-	-	774	-	774
Stock-based compensation (Note 14)	-	-	12,733	-	-	12,733	-	12,733
Non-controlling interests via business combination	-	-	-	-	-	-	6,062	6,062
Distributions paid to non-controlling interests	-	-	-	-	-	-	(13,441)	(13,441)
Other transactions with non-controlling interests	-	-	(495)	-	-	(495)	(5,745)	(6,240)
Purchase price allocation finalization	-	-	-	-	-	-	4	4
Exchange difference on translation of foreign subsidiaries	-	-	-	(12,373)	-	(12,373)	(119)	(12,492)
Derivative instruments designated in cash flow hedges	-	-	-	(202)	-	(202)	-	(202)
Net (loss) income for the period	-	-	-	-	(20,125)	(20,125)	7,482	(12,643)
Balance at June 30, 2023	**236,730,106**	**729,422**	**51,412**	**26,484**	**(83,791)**	**723,527**	**77,150**	**800,677**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

WELL Health Technologies Corp.
Consolidated Statements of Cash Flows
(Unaudited, expressed in thousands of Canadian dollars unless otherwise stated)

	Six months ended	
	June 30, 2024	June 30, 2023
	$'000	$'000
Cash flows provided by/(used in)		
Operating activities		
Net income (loss) for the period	**136,576**	(12,643)
Adjustments to net income (loss) for non-cash items:		
Interest income accretion	**(308)**	(99)
Interest expense accretion	**7,609**	6,560
Time-based earnout payments settled in shares	**2,144**	2,397
Unrealized foreign exchange	**3,724**	(1,549)
(Gain) Loss on revaluation of deferred acquisition cost liability	**(1,237)**	7,891
Change in fair value of investments	**(130,284)**	-
Depreciation and amortization	**33,867**	28,563
Gain on disposal of assets and investments (Note 17)	**(11,284)**	(1,517)
Share of net loss of associates	**887**	188
Stock-based compensation (Note 14)	**10,242**	12,733
Loss on deferred acquisition cost liability settled in shares (Note 11(a))	**175**	917
Non-cash loss (gain) included in other income	**-**	1,798
Deferred income taxes	**(7,790)**	(8,450)
Change in non-cash operating items (Note 18)	**9,907**	(4,952)
Net cash provided by operating activities	**54,228**	31,837
Investing activities		
Business acquisitions, net of cash acquired (Note 18)	**(100)**	(1,158)
Asset acqusitions (Note 18)	**-**	(6,310)
Equity and debt investments in associates and others (Note 18)	**-**	(1,069)
Proceeds from disposal of investments	**2,390**	11,438
Acquisition of property and equipment and internally generated intangible assets	**(6,351)**	(3,767)
Settlement of working capital holdbacks	**(1,252)**	(489)
Settlement of deferred acquisition costs (Note 12(a))	**(6,492)**	(5,438)
Net cash used in investing activities	**(11,805)**	(6,793)
Financing activities		
Payment of interest on convertible debentures (Note 13(b))	**(1,925)**	(1,925)
Proceeds from loans and borrowings	**23,769**	17,588
Repayments of loans and borrowings	**(40,632)**	(34,149)
Proceeds from stock options exercised	**3,095**	524
Transactions with non-controlling interests	**(15,749)**	(14,221)
Normal course issuer bid	**(444)**	-
Lease payments	**(9,306)**	(6,060)
Lease payments received	**415**	383
Net cash used in financing activities	**(40,777)**	(37,860)
Effect of foreign exchange rate changes on cash and cash equivalents	**778**	(459)
Net change in cash	**2,424**	(13,275)
Cash and cash equivalents - beginning of period	**43,423**	48,908
Cash included in assets held for sale at the beginning period	**703**	-
Cash and cash equivalents - end of period	**46,550**	35,633
Cash paid for:		
Interest	**(13,437)**	(10,494)
Income tax	**(4,324)**	(8,472)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of operations

WELL Health Technologies Corp. (the "Company") is an omni-channel digital health company. Its objective is to empower doctors to provide advanced care while leveraging the latest trends in digital health technology.

The Company was incorporated under the Business Corporations Act of British Columbia on November 23, 2010. The Company's common shares trade on the Toronto Stock Exchange (the "TSX") under the symbol WELL.

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

The Company's Board of Directors approved these condensed interim consolidated financial statements on August 13, 2024.

2. Basis of presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the December 31, 2023 audited annual consolidated financial statements, which have been prepared in accordance with IFRS issued by the IASB.

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. All financial information in these condensed interim consolidated financial statements, except share and per share amounts, is presented in thousands of Canadian dollars, which is the functional currency of the Company. All amounts are rounded to the nearest thousands of Canadian dollars.

3. Material accounting policy information

a) The preparation of these condensed interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's December 31, 2023 audited annual consolidated financial statements, except for the following:

Adoption of new accounting standards

On January 1, 2024, the Company retrospectively adopted "Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)" and "Non-current Liabilities with Covenants (Amendments to IAS 1)". The amendments clarify the requirements for classifying liabilities as current or non-current, specifically to introduce certain requirements related to the determination of the existence of a right at the end of a reporting period to defer settlement of a liability for at least twelve months after the reporting period. The amendments also specify that if a right to defer settlement of a liability for at least twelve months is subject to an entity complying with covenants after the reporting period, then those covenants would not affect the classification of the liability as current or non-current at the reporting date. The amendments also require entities to provide additional disclosures for liabilities classified as non-current and subject to covenants within twelve months of the reporting date. The adoption of the amendments resulted in the Company reclassifying revolving loans subject to covenants under its syndicated credit facility with the Royal Bank of Canada (net of deferred financing costs) of $36,994 as of December 31, 2023 and $27,679 as of January 1, 2023 from current liabilities to non-current liabilities on its consolidated statements of financial position (Note 13).

b) The following accounting policies were applied consistently in all periods presented and are being disclosed to supplement accounting policies described in the Company's December 31, 2023 audited annual consolidated financial statements.

Research and development

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

Government assistance and investment tax credits

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

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

IFRS 9 and IFRS 7 Amendments

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

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

IFRS 18

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

4. Critical accounting estimates and judgments

The preparation of interim financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the December 31, 2023 audited annual consolidated financial statements.

5. Revenue

The following table shows the details of revenues for the three and six months ended June 30, 2024, and 2023:

	Three months ended		**Six months ended**	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	$'000	$'000	**$'000**	$'000
Public insured	**78,151**	54,975	**149,166**	105,455
Non-public and other	**148,130**	102,683	**293,247**	202,265
Patient Services	**226,281**	157,658	**442,413**	307,720
SaaS and Technology Services (Note 16)	**16,866**	13,264	**32,296**	32,627
Total Revenue	**243,147**	170,922	**474,709**	340,347

6. General and administrative expenses

The following table provides a breakdown of general and administrative expenses for the three and six months ended June 30, 2024 and 2023:

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

	Three months ended		**Six months ended**	
	June 30, 2024 $'000	June 30, 2023 $'000	**June 30, 2024 $'000**	June 30, 2023 $'000
Salaries and benefits	**36,259**	30,808	**73,096**	59,882
Professional and consulting fees	**6,891**	5,154	**12,400**	9,099
Office expenses	**6,084**	2,880	**12,412**	6,528
Marketing and promotion	**20,937**	16,261	**38,941**	31,460
Others	**5,326**	5,500	**10,010**	10,207
	75,497	60,603	**146,859**	117,176

7. Interest income and expense

The following table provides a breakdown of interest income and interest expense for the three and six months ended June 30, 2024 and 2023:

	Three months ended		**Six months ended**	
	June 30, 2024 $'000	June 30, 2023 $'000	**June 30, 2024 $'000**	June 30, 2023 $'000
Interest accretion on subleases and interest accrual on debt investments	**168**	50	**308**	99
Interest income on cash and cash equivalents and others	**111**	77	**209**	216
Interest income	**279**	127	**517**	315
Interest on loans and borrowings	**(6,009)**	(4,495)	**(11,621)**	(9,043)
Interest on convertible debentures (Note 13(b))	**(2,317)**	(2,095)	**(4,635)**	(4,190)
Interest accretion on leases	**(913)**	(697)	**(1,856)**	(1,351)
Accretion of discount on deferred acquisition costs (Note 12(a))	**(124)**	(282)	**(334)**	(574)
Amorization of deferred financing fees	**(326)**	(259)	**(784)**	(444)
Interest expense	**(9,689)**	(7,828)	**(19,230)**	(15,602)

8. Time-based earnout expense

The following table provides a breakdown of time-based earnout expense for the three and six months ended June 30, 2024, and 2023:

	Three months ended		**Six months ended**	
	June 30, 2024 $'000	June 30, 2023 $'000	**June 30, 2024 $'000**	June 30, 2023 $'000
Time-based earnout expense	**(1,185)**	(1,541)	**(3,107)**	(3,377)
Gain (loss) on settlement of deferred acquisition cost and time-based earnout liabilities via shares	**(68)**	65	**(258)**	(1,062)
Gain (loss) on revaluation of deferred acquisition cost liabilities (Note 12(a))	**1,238**	-	**1,238**	(7,891)
	(15)	(1,476)	**(2,127)**	(12,330)

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

9. Accounts and other receivables

The following table shows the details of the Company's accounts and other receivables as at June 30, 2024 and December 31, 2023:

	June 30, 2024 $'000	December 31, 2023 $'000
Accounts Receivable - gross	**184,441**	97,991
Less: Expected credit losses	**(2,956)**	(3,000)
	181,485	94,991
Accounts receivable - gross		
Canadian Patient Services - Primary	**13,138**	9,403
Canadian Patient Services - Specialized - MyHealth	**14,256**	10,279
US Patient Services - Primary - Circle	**15,273**	14,360
US Patient Services - Primary - WISP	**1,134**	898
US Patient Services - Specialized - CRH Medical	**102,316**	38,233
US Patient Services - Specialized - Provider Staffing	**16,515**	13,290
SAAS and Technology Services	**12,246**	11,350
Other receivables	**9,563**	178
	184,441	97,991

During the three and six months ended June 30, 2024, the Company received cash advance payments of $61,879 and $79,325, respectively, from CRH Medical Corporation's ("CRH") third-party billing company. They were recorded as other liabilities (Note 12(b)), which will be repaid via collection of accounts receivable during the remainder of 2024. The increase in accounts receivable mainly arose from collection delays at CRH after its billing service provider experienced a cybersecurity incident and system shutdown. The billing service provider has and will continue to make advance payments to CRH to compensate for the delayed collections until the system is back online and functioning normally. The advance payments have been recognized as other liabilities on the Company's consolidated statement of financial position.

The Company evaluates credit losses on a periodic basis based on the aging and collectability of its accounts receivable. The expected lifetime credit loss provision for trade receivables is based on historical counterparty default rates and is adjusted for relevant forward-looking information as required.

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

10. Financial assets at fair value through profit and loss

The following table provides the carrying values of the Company's investments in financial assets measured at fair value through profit and loss as at June 30, 2024 and December 31, 2023:

	June 30, 2024 $'000	December 31, 2023 $'000
HEALWELL	**176,424**	45,940
Tali.ai	**2,123**	2,094
Phelix	**2,859**	2,859
Anesthesia RCM	**2,759**	2,666
Others	**2,636**	2,611
	186,801	56,170

Financial asset investments include debt and equity instruments that are measured at fair value through profit and loss (FVPL) in accordance with IFRS 9. The Company uses various fair value techniques to estimate the fair value of these investments. During the six months ended June 30, 2024, the Company recognized fair value gains of $130,284 on the HEALWELL financial assets ($39,640 on the convertible debentures, $35,870 on the warrants and $54,774 on the call option) and nil on all other financial assets (six months ended June, 2023 – nil on all financial assets). During the six months ended June 30, 2024, the Company also recognized $200 of interest income on the HEALWELL convertible debentures.

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

11. Intangible assets and Goodwill

	Customer relationships $'000	Technology $'000	Brands $'000	Licences $'000	Intangibles Total $'000	Goodwill $'000
COST						
Balance at December 31, 2022	**432,004**	**31,308**	**9,920**	**182,513**	**655,745**	**499,290**
PPA finalization	574	476	-	-	**1,050**	**(801)**
Acquired via business combination (Note 17)	48,329	-	4,959	-	**53,288**	**23,547**
Internally generated intangible assets	-	2,428	-	-	**2,428**	**-**
Assets classified as held for sale and other disposals	(25,327)	(3,854)	-	(752)	**(29,933)**	**(6,491)**
Exchange difference on foreign currency translation	(14,135)	(357)	(55)	-	**(14,547)**	**(7,484)**
Balance at December 31, 2023	**441,445**	**30,001**	**14,824**	**181,761**	**668,031**	**508,061**
Acquired via business combination (Note 17)	-	-	-	-	**-**	**100**
Internally generated intangible assets	-	**3,885**	-	-	**3,885**	**-**
Exchange difference on foreign currency translation	**21,203**	**774**	**255**	-	**22,232**	**11,387**
Balance at June 30, 2024	**462,648**	**34,660**	**15,079**	**181,761**	**694,148**	**519,548**
ACCUMULATED AMORTIZATION						
Balance at December 31, 2022	**(77,330)**	**(5,788)**	**(1,360)**	-	**(84,478)**	**-**
Amortization for the period	(40,749)	(3,461)	(1,491)	-	**(45,701)**	**-**
Assets classified as held for sale and other disposals	7,760	568	2,120	-	**10,448**	**-**
Exchange difference on foreign currency translation	6,840	49	11	-	**6,900**	**-**
Balance at December 31, 2023	**(103,479)**	**(8,632)**	**(720)**	**-**	**(112,831)**	**-**
Amortization for the period	**(20,751)**	**(1,970)**	**(627)**	-	**(23,348)**	**-**
Exchange difference on foreign currency translation	**(11,255)**	**(72)**	**(17)**	**-**	**(11,344)**	**-**
Balance at June 30, 2024	**(135,485)**	**(10,674)**	**(1,364)**	**-**	**(147,523)**	**-**
NET CARRYING AMOUNTS						
As at December 31, 2023	**337,966**	**21,369**	**14,104**	**181,761**	**555,200**	**508,061**
As at June 30, 2024	**327,163**	**23,986**	**13,715**	**181,761**	**546,625**	**519,548**

12. Deferred acquisition costs and other liabilities

a) Deferred acquisition costs

Deferred acquisition costs are liabilities for certain time-based earnout payments that are treated as purchase consideration for business combinations and asset acquisitions (Note 17).

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

	June 30, 2024 $'000	December 31, 2023 $'000
Current	**10,552**	14,493
Non-current	**12,342**	22,578
	22,894	37,071

	$'000
Balance at December 31, 2022	**38,497**
Additions via business combinations and asset acquisitions	5,791
Accretion of discount	1,283
Settlement in cash	(9,560)
Settlement in shares	(12,375)
Loss on settlement via shares	1,172
Loss on revaluation included in time-based earnout expense (Note 8)	12,469
Exchange difference	(206)
Balance at December 31, 2023	**37,071**
Accretion of discount	334
Settlement in cash	(6,492)
Settlement in shares	(6,899)
Loss on settlement via shares	175
Gain on revaluation included in time-based earnout expense (Note 8)	(1,238)
Exchange difference	(57)
Balance at June 30, 2024	**22,894**

b) Other Liabilities

	June 30, 2024 $'000	December 31, 2023 $'000
Current:		
Working capital holdback	**593**	688
Time-based earnouts	**6,866**	7,083
Income tax payable	**1,575**	862
Advances payable	**79,325**	-
Payroll liabilities and others	**15,569**	12,454
	103,928	21,087
Non-current:		
Others	**2,026**	3,577

During the three and six months ended June 30, 2024, the Company received cash advance payments of $61,879 and $79,325, respectively, from CRH Medical Corporation's ("CRH") third-party billing company which will be repaid via collection of accounts receivable during the remainder of 2024.

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

13. Loans and borrowings, and convertible debentures

a) Syndicated credit facilities

	June 30, 2024 $'000	December 31, 2023 $'000
CRH syndicated credit facility with JPM:		
Revolving loan	**130,221**	145,873
Term loan	**73,397**	69,106
WHCC and MyHealth syndicated credit facility with RBC:		
Revolving loan	**42,200**	37,400
Term loan	**43,125**	44,375
Other loans and borrowings	**402**	722
Less: Financing fees	**(2,429)**	(1,875)
Total Loans and Borrowings	**286,916**	295,601
Current portion	**4,184**	5,264
Non-current portion	**282,732**	290,337
Total Loans and Borrowings	**286,916**	295,601

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

On January 26, 2024, the Company refinanced its syndicated credit facility with JPM to include two new syndicate members and extend the term to January 26, 2027. Interest on the refinanced credit facility is calculated with reference to Secured Overnight Financing Rate ("SOFR") plus 1.75% to 3.00%, dependent on the total leverage ratio of the consolidated financial results of CRH. All other key terms of the previous credit facility remained materially unchanged. As of June 30, 2024, the Company had drawn $203,618 (US$148,767) under this facility (December 31, 2023 – $214,979 (US$162,543)).

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

On January 1, 2024, the Company adopted "Non-current Liabilities with Covenants (Amendments to IAS 1)" (Note 3). The adoption of the amendments resulted in the Company reclassifying $36,994 of revolving loans under its syndicated credit facility (net of deferred financing costs) as of December 31, 2023 from current liabilities to non-current liabilities. In March 2024, the Company completed an amendment to its syndicated credit facility to replace Canadian Dollar Offered Rate ("CDOR") as the benchmark interest rate with the Canadian Overnight Repo Rate Average ("CORRA"). As of June 30, 2024, the Company had drawn $85,325 under this facility (December 31, 2023 – $81,775).

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

(iii) Financial covenants

The Company's syndicated credit facilities with loans outstanding of $203,618 with JPM and $85,325 with RBC are subject to financial covenants based on the consolidated financial results of CRH, WHCC and MyHealth. Financial covenants include maintenance of certain leverage ratios, fixed charge coverage ratios and guarantor and capital expenditure thresholds and compliance is evaluated quarterly as of March 31, June 30, September 30 and December 31 of each year. The Company was in compliance with all financial covenants and other terms and conditions under its syndicated credit facilities as of June 30, 2024.

(iv) Minimum principal repayments:

Total minimum principal repayments under the syndicated credit facilities were as follows as at June 30, 2024:

	CRH (JPM) $'000	**WHCC and MyHealth (RBC) $'000**
2024	1,882	1,250
2025	3,764	2,500
2026	3,764	2,500
2027	194,208	79,075
	203,618	**85,325**

b) Convertible debentures

	$'000
Balance as of December 31, 2022	**44,679**
Interest accreted	8,592
Interest paid	(3,850)
Balance as of December 31, 2023	**49,421**
Interest accreted	4,635
Interest paid	(1,925)
Balance as of June 30, 2024	**52,131**
Current (Interest payable within one year)	**3,850**
Non-current	**48,281**
Total convertible debentures	**52,131**

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

14. Share Capital

a) Authorized

Unlimited common shares without par value.

b) Issued Common Shares

As at June 30, 2024, the issued share capital consisted of 248,014,203 (December 31, 2023 – 241,427,825) common shares.

c) Normal Course Issuer Bid ("NCIB")

On June 6, 2024, the Company received approval from the TSX for a renewal of the NCIB that expired on June 4, 2024. Under the renewed NCIB, the Company may acquire up to an aggregate of 6,154,501 common shares from June 10, 2024 to June 9, 2025. In accordance with TSX rules, daily purchases made by the Company on the TSX will not exceed 209,016 common shares, subject to certain prescribed exemptions, being 25% of the average daily trading volume over the preceding six calendar months of 836,067 common shares. As of August 12, 2024, 119,400 shares have been purchased under the prior NCIB, and 104,100 shares have been purchased under the current NCIB.

d) Options to purchase common shares

(i) Movement in stock options

The changes in stock options during the six months ended June 30, 2024 and the year ended December 31, 2023 were as follows:

	June 30, 2024		December 31, 2023	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Balance outstanding, beginning of year	**1,980,873**	**1.79**	3,054,041	1.74
Options exercised	**(1,573,907)**	**(1.50)**	(890,157)	(0.78)
Options expired	**-**	**-**	(17,351)	(5.98)
Options forfeited	**-**	**-**	(165,660)	(2.77)
Balance outstanding, end of period	**406,966**	**2.91**	1,980,873	1.79

During the six months ended June 30, 2024 and 2023, the Company recognized a stock-based compensation expense of $392 and $222 respectively, relating to stock options in the condensed interim consolidated statements of income (loss).

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

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

The following table summarizes information relating to outstanding and exercisable stock options of the Company as at June 30, 2024:

Exercise price $	Options outstanding	Options exercisable	Weighted average remaining contractual life (years)
2.24	120,000	116,870	0.85
3.06	100,000	43,750	3.25
3.25	186,966	174,852	1.08
	406,966	**335,472**	**1.55**

The weighted average exercise price of options exercisable as at June 30, 2024 was $2.87 (December 31, 2023 - $1.68).

e) Restricted Share Units ("RSUs")

The changes in RSUs during the six months ended June 30, 2024 and the year ended December 31, 2023 were as follows:

	June 30, 2024	December 31, 2023
	Number of RSUs	Number of RSUs
Balance outstanding, beginning of year	**5,065,068**	3,884,965
Units granted	**1,595,437**	4,397,284
Units vested	**(2,024,620)**	(2,951,845)
Units forfeited	**(273,126)**	(265,336)
Balance outstanding, end of period	**4,362,759**	5,065,068

During the six months ended June 30, 2024 and 2023, the Company recognized a stock-based compensation expense of $6,166 and $8,481, respectively, relating to RSUs in the condensed interim consolidated statements of income (loss).

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

f) Performance Share Units ("PSUs")

The changes in PSUs during the six months ended June 30, 2024 and the year ended December 31, 2023 were as follows:

	June 30, 2024	December 31, 2023
	Number of PSUs	Number of PSUs
Balance outstanding, beginning of year	**3,401,645**	2,946,088
Units granted	**801,828**	2,150,174
Units vested	**(801,814)**	(1,307,962)
Units forfeited	**(230,264)**	(386,655)
Balance outstanding, end of period	**3,171,395**	3,401,645

During the six months ended June 30, 2024 and 2023, the Company recognized a stock-based compensation expense of $3,684 and $4,030, respectively, relating to PSUs in the condensed interim consolidated statements of income (loss).

15. Related Party Transactions

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 include the Company's Board of Directors and certain members of the senior executive team. The remuneration of the Company's key management personnel during the three and six months ended June 30, 2024 and 2023 was as follows:

	Three months ended		**Six months ended**	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	$'000	$'000	**$'000**	$'000
Salaries	**260**	250	510	500
Directors' fees	**60**	60	120	120
Stock-based compensation expense	**1,247**	1,960	3,226	3,913
	1,567	2,270	3,856	4,533

During the six months ended June 30, 2024, the Company granted 481,573 RSUs (197,367 to the CEO, 39,473 to the CFO, 39,473 to the COO, and 205,260 to the Board of Directors), and 78,946 PSUs (39,473 to the CFO and 39,473 to the COO). During the six months ended June 30, 2023, the Company granted 985,000 RSUs (625,000 to the CEO, 50,000 to the CFO, 50,000 to the COO, and 260,000 to the Board of Directors), and 225,000 PSUs (125,000 to the CEO, 50,000 to the CFO, and 50,000 to the COO).

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

Included in other current assets as at June 30, 2024 is $11,466 ($7,099 from the CEO, $2,095 from the CFO, and $2,272 from the COO) and December 31, 2023 is $6,808 ($4,231 from the CEO, $1,531 from the CFO, and $1,046 from the COO) of receivables from related parties. These receivables were primarily due to payroll taxes and costs of option exercises on stock issuances to the related parties.

Other transactions with related parties

On February 1, 2024, the Company received an advance payment of $1,400 from HEALWELL for transition services to be provided post closing of the sale of Intrahealth Systems Ltd. ("Intrahealth") to HEALWELL (Note 17) and recognized it as unearned revenue on its consolidated statement of financial position ("Intrahealth Transaction"). During the three and six months ended June 30, 2024, the Company recognized revenue of $339 and $559, respectively, as other income for providing transition services to HEALWELL in relation to the Intrahealth Transaction and recognized $nil and $113, respectively, in general and administrative expense for transition services provided by HEALWELL in relation to the sale of MCI Ontario and Alberta clinics from HEALWELL to the Company.

16. Segment reporting

The Company is organized into operating segments based on its product and service offerings. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Effective January 1, 2023, the Company updated its reportable segments to split its former Virtual Services reportable segment into three reportable segments, Circle Medical, Wisp and SaaS and Technology Services, after a change in organizational structure and a corresponding change in internal reporting to the chief operating decision-maker. During the quarter ended December 31, 2023 after the acquisition of CarePlus Medical Corporation on July 1, 2023, the Company split its CRH reportable segment into two reportable segments, CRH Medical and Provider Staffing. The Company now has seven reportable segments as shown below that are grouped into three key business units: Canadian Patient Services, WELL Health USA Patient and Provider Services and SaaS and Technology Services.

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

Effective January 1, 2024, the Company changed its segment profit measure from "Segment profit (loss) before tax, interest and depreciation and amortization" to Adjusted EBITDA to align with internal reporting provided to the chief operating decision-maker. Adjusted EBITDA is defined 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.

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

Three months ended June 30, 2024

	<--Canadian Patient Services->			<-WELL Health USA Patient and Provider Services->							
	Primary	Specialized-WDC	**TOTAL**	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing	**TOTAL**	**SaaS and Technology Services**	**Corporate/ Eliminations**	**GRAND TOTAL**
	$'000	$'000	**$'000**	$'000	$'000	$'000	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Total segment revenue	45,577	31,243	**76,820**	32,008	24,276	64,277	29,776	**150,337**	**18,130**	**4,323**	**249,610**
Inter-segment revenue	(83)	-	**(83)**	-	-	(54)	(739)	**(793)**	**(1,264)**	**(4,323)**	**(6,463)**
Revenue from external customers	45,494	31,243	**76,737**	32,008	24,276	64,223	29,037	**149,544**	**16,866**	**-**	**243,147**
Adjusted EBITDA	2,005	7,003	**9,008**	2,721	814	17,574	2,059	**23,168**	**4,024**	**(5,320)**	**30,880**

Three months ended June 30, 2023

	<--Canadian Patient Services->			<-WELL Health USA Patient and Provider Services->							
	Primary	Specialized-WDC	**TOTAL**	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing	**TOTAL**	**SaaS and Technology Services**	**Corporate/ Eliminations**	**GRAND TOTAL**
	$'000	$'000	**$'000**	$'000	$'000	$'000	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Total segment revenue	24,869	29,311	**54,180**	20,958	19,135	63,429	-	**103,522**	**14,273**	**4,494**	**176,469**
Inter-segment revenue	(7)	-	**(7)**	-	-	(37)	-	**(37)**	**(1,009)**	**(4,494)**	**(5,547)**
Revenue from external customers	24,862	29,311	**54,173**	20,958	19,135	63,392	-	**103,485**	**13,264**	**-**	**170,922**
Adjusted EBITDA	1,068	7,805	**8,873**	(1,133)	(652)	23,088	-	**21,303**	**2,069**	**(4,456)**	**27,789**

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

Six months ended June 30, 2024

	<--Canadian Patient Services->			<-WELL Health USA Patient and Provider Services->							
	Primary	Specialized-WDC	**TOTAL**	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing	**TOTAL**	**SaaS and Technology Services**	**Corporate/ Eliminations**	**GRAND TOTAL**
	$'000	$'000	**$'000**	$'000	$'000	$'000	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Total segment revenue	90,948	61,660	**152,608**	60,715	45,399	126,051	59,276	**291,441**	**34,339**	**8,012**	**486,400**
Inter-segment revenue	(183)	-	**(183)**	-	-	(88)	(1,365)	**(1,453)**	**(2,043)**	**(8,012)**	**(11,691)**
Revenue from external customers	90,765	61,660	**152,425**	60,715	45,399	125,963	57,911	**289,988**	**32,296**	**-**	**474,709**
Adjusted EBITDA	5,974	14,335	**20,309**	3,198	1,664	32,687	4,226	**41,775**	**7,197**	**(10,087)**	**59,194**
Goodwill and intangible assets	67,825	227,134	**294,959**	22,598	57,530	563,152	24,712	**667,992**	**103,222**	**-**	**1,066,173**

Six months ended June 30, 2023

	<--Canadian Patient Services->			<-WELL Health USA Patient and Provider Services->							
	Primary	Specialized-WDC	**TOTAL**	Primary-Circle Medical	Primary-WISP	Specialized-CRH Medical	Specialized-Provider Staffing	**TOTAL**	**SaaS and Technology Services**	**Corporate/ Eliminations**	**GRAND TOTAL**
	$'000	$'000	**$'000**	$'000	$'000	$'000	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Total segment revenue	49,665	55,394	**105,059**	44,040	37,773	120,930	-	**202,743**	**34,894**	**8,814**	**351,510**
Inter-segment revenue	(14)	-	**(14)**	-	-	(68)	-	**(68)**	**(2,267)**	**(8,814)**	**(11,163)**
Revenue from external customers	49,651	55,394	**105,045**	44,040	37,773	120,862	-	**202,675**	**32,627**	**-**	**340,347**
Adjusted EBITDA	3,034	13,761	**16,795**	144	(381)	40,943	-	**40,706**	**5,952**	**(8,981)**	**54,472**
Goodwill and intangible assets	41,386	227,569	**268,955**	20,841	55,759	555,772	-	**632,372**	**134,570**		**1,035,897**

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

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

	Three months ended		Six months ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	$'000	$'000	**$'000**	$'000
Adjusted EBITDA	**30,880**	27,789	**59,194**	54,472
Depreciation and amortization	**(17,307)**	(14,041)	**(33,867)**	(28,563)
Interest expense	**(9,689)**	(7,828)	**(19,230)**	(15,602)
Interest income	**279**	127	**517**	315
Rent expense on finance leases	**4,129**	2,581	**8,243**	5,071
Stock-based compensation	**(4,765)**	(6,134)	**(10,242)**	(12,733)
Foreign exchange difference	**72**	65	**104**	349
Time-based earnout expense	**(15)**	(1,476)	**(2,127)**	(12,330)
Change in fair value of investments	**116,327**	-	**130,284**	-
Gain on disposal of assets and investments	**-**	1,517	**11,284**	1,517
Share of net loss of associates	**177**	(91)	**(887)**	(188)
Other items	**(753)**	(1,798)	**(753)**	(1,798)
M&A, restructuring and integration expenses	**(4,318)**	(838)	**(8,081)**	(1,072)
Net income (loss) before income tax	**115,017**	(127)	**134,439**	(10,562)

Geographic information

Revenue by geographic location of customers and goodwill and intangible assets by location for the three and six months ended June 30, 2024 and 2023 are summarized as follows:

Three months ended June 30, 2024 and 2023	**Canada and others**		**U.S.**		**Canada (Corporate/Eliminations)**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Total segment revenue	**94,950**	68,453	**150,337**	103,522	**4,323**	4,494	**249,610**	176,469
Inter-segment revenue	**(1,347)**	(1,016)	**(793)**	(37)	**(4,323)**	(4,494)	**(6,463)**	(5,547)
Revenue from external customers	**93,603**	67,437	**149,544**	103,485	**-**	-	**243,147**	170,922

Six months ended June 30, 2024 and 2023	**Canada and others**		**U.S.**		**Canada (Corporate/Eliminations)**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Total segment revenue	**186,947**	139,953	**291,441**	202,743	**8,012**	8,814	**486,400**	351,510
Inter-segment revenue	**(2,226)**	(2,281)	**(1,453)**	(68)	**(8,012)**	(8,814)	**(11,691)**	(11,163)
Revenue from external customers	**184,721**	137,672	**289,988**	202,675	**-**	-	**474,709**	340,347
Goodwill and intangible assets	**398,181**	403,525	**667,992**	632,372	**-**	-	**1,066,173**	1,035,897

17. Business combinations, asset acquisitions and disposals

a) 2024 Acquisitions and Dispositions

On June 1, 2024, the Company acquired 10 primary care medical clinics operated by Shoppers Drug Mart Inc. under "The Health Clinic by Shoppers™" brand ("Shoppers") for $100. The purchase price was allocated to goodwill.

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 AI Inc for total consideration of $24,361 consisting of cash of $3,152, shares in HEALWELL with fair value of $14,961, a holdback receivable of $606 and other deferred payments of $5,642. The gain on disposal before tax was $11,280.

b) 2023 Acquisitions and Dispositions

During the six months ended June 30, 2024, the Company finalized the purchase accounting for the acquisition of Manitoba Clinic ("MBC") that was acquired in 2023. As a result, the Company made a payment of $757 and allocated it to fair value of property and equipment.

On April 1, 2023, the Company sold its 51% interest in Western Ohio Sedation Associates, LLC ("WOSA") and received $11,059 (US$8,172). The gain on disposal before tax was $1,717 (US$1,274), net of transaction costs of $205 (US$147).

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

18. Cash Flow Information

	Six months ended June 30, 2024 $'000	June 30, 2023 $'000
Change in non-cash operating items:		
Accounts and other receivables	**(80,280)**	2,352
Inventory	**(663)**	187
Other current assets	**(7,725)**	1,241
Other non-current assets	**1,623**	(651)
Accounts payable and accrued liabilities	**13,113**	(7,901)
Unearned revenue	**2,111**	282
Other non-current liabilities	**(1,551)**	1,057
Other current liabilities	**83,279**	(1,519)
	9,907	(4,952)

	Six months ended June 30, 2024 $'000	June 30, 2023 $'000
Equity and debt investments in associates and others:		
Investment in doctorly	**-**	(681)
Investment in Graphium	**-**	(388)
	-	(1,069)

	Six months ended June 30, 2024 $'000	June 30, 2023 $'000
Business acquisitions, net of cash acquired (Note 16):		
Shoppers	**(100)**	-
MCI Medical Clinics (Alberta) Inc. ("MCI AB")	**-**	(1,027)
Trillium Medical Billing Agency Inc. ("TMBA")	**-**	(131)
	(100)	(1,158)
Asset acquisitions :		
Affiliated Tampa Anesthesia Associates, LLC	**-**	(6,310)

19. Contingencies

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

In November 2023, a class action was filed in the Northern District of California against the Company's subsidiary, WISP, Inc. ("WISP"), alleging pixel tracking technologies deployed on WISP's website used to improve marketing and advertising initiatives, improperly collected and disclosed personal health information to third-party social media platforms (Meta Platforms Inc. dba Facebook, Google, Bing/Microsoft, and Tik Tok Inc.), allegedly violating privacy, wiretapping and unfair business practices laws and standards of care across the U.S. In January 2024, a set of claimants filed arbitration claims against WISP with similar allegations. The total amount being sought was not specified in either the class action or arbitration claims. In May 2024, the Company engaged in mediation with counsel for the plaintiffs and claimants and the parties in the class action matter stipulated to dismissal of the case. Subsequently, in August 2024, a settlement was finalized for the arbitration matter. For the six months ended June 30, 2024, the Company recognized an expense of $1,019 in general and administrative expenses for settlement costs and legal fees in relation to the class action.

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

20. Financial Instruments

a) Classification of financial instruments

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

	June 30, 2024	December 31, 2023
Financial assets at amortized cost	**$'000**	$'000
Cash and cash equivalents	**46,550**	43,423
Accounts and other receivables	**181,485**	94,991
Lease receivable	**2,612**	2,959
Other current and non-current assets	**31,948**	25,880
	262,595	167,253
Financial assets at fair value through profit or loss ("FVPL")		
Equity and debt investments	**186,801**	56,170
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**61,751**	47,877
Loans and borrowings	**286,916**	295,601
Convertible debentures	**52,131**	49,421
Lease liability	**79,890**	81,261
Other current and non-current liabilities	**105,954**	23,840
	586,642	498,000
Financial liabilities at fair value through profit or loss ("FVPL")		
Deferred acquisition costs	**22,894**	37,071
Financial asset (liabilities) - derivatives designated as hedging instruments		
Interest rate swap included in other current assets (liabilities)	**73**	(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 at June 30, 2024 and December 31, 2023.

Financial instruments carried at amortized cost:

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

The Company's loans and borrowings, which are mainly comprised of the JPM facility and the RBC facility (Note 13), are floating rate instruments which are based on SOFR/CORRA plus 1.50% to 3.25% dependent on CRH's total leverage ratio and WHCC and MyHealth's total funded debt to EBITDA ratio. The Company estimated the fair value of these financial instruments to be $202,515 (US$147,961) for the JPM facility, and $85,325 for the RBC facility as at June 30, 2024 based on a discounted cash flow analysis using Level 2 directly observable market inputs.

Financial instruments carried at fair value:

The Company's investments (excluding the Company's equity investments in associates) are classified as financial assets at FVPL. The fair value measurements of debt investments are categorized within Level 2 of the fair value hierarchy whereas investments in convertible debt, equity and equity derivative instruments are categorized within Level 3 of the fair value hierarchy. The fair values of debt instruments are based on discounted cash flow analyses using directly observable market inputs. The fair values of equity investments in unquoted private entities are based on recent follow-on financing rounds where applicable. The fair values of convertible debt, warrants and call options are estimated using complex mathematical models or option pricing models that incorporate directly observable market inputs (including share prices, interest rates and credit spreads), unobservable inputs (expected share price volatilities and expected terms) and iterative equations, as applicable. As at June 30, 2024 and December 31, 2023, the fair value of investments classified as financial assets at FVPL was $186,801 and $56,170, respectively.

The Company's deferred acquisition cost liabilities are estimated using discounted earnings models that use unobservable inputs for revenue and cash flow projections. The fair value measurements of deferred acquisition costs are categorized within Level 3 of the fair value hierarchy.

The Company's derivative financial instruments, including an interest rate swap and foreign currency forward contracts, are classified as financial assets or liabilities at FVPL. The fair value measurements are categorized within Level 2 of the fair value hierarchy. The fair value of interest rate swaps is determined by discounting expected future cash flows from the contracts. The future cash flows are determined by measuring the difference between fixed interest payments to be made to the counterparty and floating interest payments to be received based on forward interest rate curves. The fair value of foreign currency forward contracts and swaps is measured using observable inputs based on the difference between contracted foreign exchange rates and quoted forward exchange rates as of the reporting date.

There were no foreign currency forward contracts outstanding as at June 30, 2024 or December 31, 2023. As at June 30, 2024, the carrying value of the interest rate swap was an asset of $73 (December 31, 2023 – liability of $824).

c) Financial risk management

Credit risk

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

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

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

As at June 30, 2024, the Company had accounts and other receivables of $181,485 (December 31, 2023 - $94,991), net of expected credit losses of $2,956 (December 31, 2023 - $3,000) (Note 9).

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 and planned growth and development activities. The Company routinely reviews the terms and conditions of its financing arrangements with a view to managing or extending maturities and/or negotiating more favourable terms and conditions. The Company believes that its principal sources of liquidity are sufficient to fund its operations on an ongoing basis.

The maturities of the contractual cash flows of the Company's financial liabilities are as follows:

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

	Undiscounted payments due by period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
At June 30, 2024	**$'000**	$'000	$'000	$'000	$'000
Deferred acquisition costs and time-based earnouts	**20,810**	4,984	15,826		-
Lease obligations' minimum payments	**92,640**	19,700	33,447	21,812	17,681
Accounts payable and accrued liabilities	**61,751**	61,751	-	-	-
Working capital holdbacks	**593**	593	-	-	-
Other current and non-current liabilities	**105,361**	103,335	2,026	-	-
Loans and borrowings	**286,916**	4,184	282,732	-	-
Convertible debentures	**79,625**	3,850	75,775	-	-
	647,696	**198,397**	**409,806**	**21,812**	**17,681**

On March 28, 2024, the Company entered into an agreement with a cloud hosting services provider to secure infrastructure services for its operations. Pursuant to this agreement, the Company and its affiliates has committed to spending a total of $25,000 over a period of five years.

Interest rate risk

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

The Company is exposed to fluctuations in interest rates through variable rate debt obligations under its syndicated credit facilities with JPM and RBC (Note 13). 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. During the six months ended June 30, 2024 and 2023, the Company recognized fair value gains of $1,177 and fair value losses of $132, respectively, in other comprehensive income (loss) in relation to the interest rate swap agreement and reclassified fair value gains of $259 and $70, respectively, from accumulated other comprehensive income to net income. At June 30, 2024, the carrying value of the interest rate swap agreement was an asset of $73 (December 31, 2023 – liability of $824).

With all other variables held constant, a 10% upward movement in the interest rate would have reduced net income by approximately $875 for the six months ended June 30, 2024. There would be an equal and opposite impact on net income with a 10% downward movement in the interest rate.

Foreign currency risk

The Company is exposed to foreign exchange risk on revenue contracts, purchase contracts and loans and borrowings denominated in currencies other than the currency of the Company's contracting entity. For Canadian operations, this is typically the U.S. dollar and for U.S. entities, this is typically the Canadian dollar. The Company is also exposed to foreign currency risk on translation of the net assets of its foreign operations to Canadian dollars.

The Company from time-to-time uses foreign currency forward contracts to manage its exposure to transactions in foreign currencies. These transactions include forecasted transactions and firm commitments denominated in foreign currencies. The Company does not apply hedge accounting to any of its hedging relationships that involve foreign currency contracts.

The Company had no foreign currency forward contracts outstanding as at June 30, 2024 or December 31, 2023.

The Company has foreign currency subsidiaries and a 10% movement in foreign exchange rates versus the U.S. dollar would result in a change of approximately $1,074 in the Company's net income for the six months ended June 30, 2024.