Management's Discussion and Analysis

May 19, 2021 / This Management's Discussion and Analysis of the Financial Position and Results of Operations ("MD&A") is the responsibility of management and has been reviewed and approved by the Board of Directors. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators.

Throughout this document, NeuPath Health Inc. is referred to as "NeuPath", "we", "our" or "the Company". This MD&A provides information management believes is relevant to an assessment and understanding of the consolidated results of operations, cash flows and financial condition of the Company. The following information should be read in conjunction with the Condensed Consolidated Interim Financial Statements and the notes thereto for the three months ended March 31, 2021. The Condensed Consolidated Interim Financial Statements reported herein have been prepared in accordance with International Accounting Standard ("IAS") 34 - *Interim Financial Reporting*. NeuPath's accounting policies are in accordance with International Financial Reporting Standards ("IFRS").

All amounts in this MD&A are expressed in thousands of Canadian dollars except per share, unit and warrant figures, unless otherwise noted.

The Company uses non-IFRS financial measures in the MD&A. For a detailed reconciliation of the non-IFRS measures used in this MD&A, please see the discussion under "Non-IFRS Financial Measures".

Materiality of Disclosures

This MD&A includes information we believe is material to investors. We consider something to be material if it results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares, or if it is likely that a reasonable investor would consider the information important in making an investment decision.

Forward-looking Statements

Certain statements in this MD&A are forward looking statements which may include, but are not limited to, statements with respect to the future financial or operating performance of NeuPath and its projects, the market conditions, business strategy, corporate plans, objectives and goals, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of NeuPath to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "Risk Factors" in this MD&A and in the section entitled "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2020 dated March 25, 2021 ("AIF"). Although NeuPath has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and, other than as required by law, NeuPath disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

This MD&A also includes market data and forecasts with respect to the chronic pain, sports medicine, concussion, and workplace health services markets. Although the Company is responsible for all of the disclosure contained in this MD&A, in some cases the Company relies on and refers to market data and certain industry forecasts that were obtained from third party surveys, market research, consultant surveys, publicly available information and industry publications and surveys that it believes to be reliable. Unless otherwise indicated, all market and industry data and other statistical information and forecasts contained in this MD&A are based on independent industry publications, reports by market research firms or other published independent sources and other externally obtained data that the Company believes to be reliable. Any such market data, information or forecast may prove to be inaccurate because of the method by which it was obtained or because it cannot always be verified with complete certainty given the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties, including those discussed in the AIF under the heading "Risk Factors". As a result, although the Company believes that these sources are reliable, it has not independently verified the information.

Non-IFRS Financial Measures

The Company discloses non-IFRS measures (such as adjusted EBITDA) that do not have standardized meanings prescribed by IFRS. The Company believes that shareholders, investment analysts and other readers find such measures helpful in understanding the Company's financial performance. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and may not have been calculated in the same way as similarly named financial measures presented by other reporting issuers and therefore unlikely to be comparable to similar measures presented by other companies. Furthermore, these non-IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows as prepared in accordance with IFRS. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS.

Adjusted EBITDA

EBITDA refers to net income (loss) determined in accordance with IFRS, before depreciation and amortization, net interest expense (income) and income tax expense (recovery). The Company defines adjusted EBITDA as EBITDA, plus stock-based compensation expense, restructuring costs, fair value adjustments, listing expense and transaction costs, impairment charges and finance income. Management believes adjusted EBITDA is a useful supplemental measure to determine the Company's ability to generate cash available for working capital, capital expenditures, debt repayments, interest expense and income taxes.

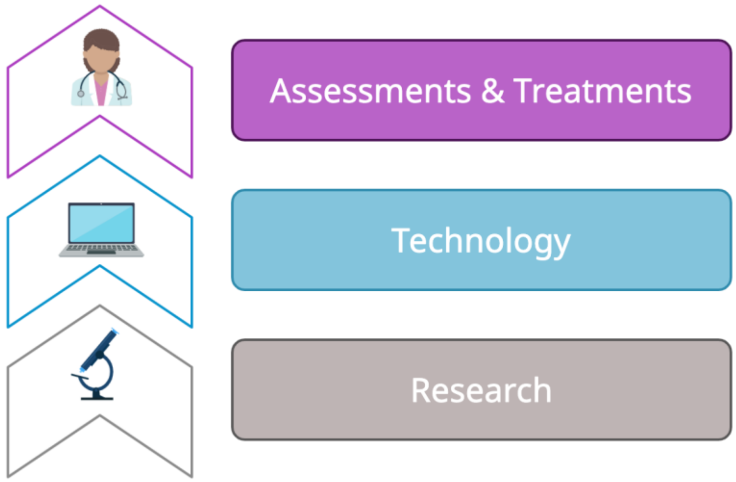
The following table provides a reconciliation of adjusted EBITDA to net income (loss):

	Three months ended March 31, 2021	Three months ended March 31, 2020
	$	$
Net loss and comprehensive loss	**(702)**	(830)
Add back:		
Depreciation and amortization	**725**	632
Net interest expense	**214**	446
Income tax expense	**124**	100
EBITDA	**361**	348
Add back:		
Stock-based compensation	**77**	25
Fair value adjustments	**-**	163
Transaction costs[1]	**611**	-
Finance income	**(9)**	(12)
Adjusted EBITDA	**1,040**	524

[1] Transaction costs includes professional fees related to the acquisition of HealthPointe and a portion of accrued contingent consideration that under IFRS 3, *Business Combinations* was not permitted to be included in the acquisition cost and has been accounted for as remuneration rather than consideration transferred.

Overview

NeuPath is an end-to-end, integrated network of health care businesses focused on transforming the hope of a better life into the reality of a life more fully lived. The Company endeavours to achieve this goal by working with patients to return functionality lost due to chronic pain, spinal injuries, sports related injuries and concussions. NeuPath's end-to-end solution is built on a base of research, with technology layered in, with a goal of better outcomes from assessments and treatments.



Research
Through a wholly owned subsidiary, NeuPath provides contract research services to pharmaceutical companies. More importantly, these clinical research capabilities allow the Company to evaluate the efficacy of new and existing services and treatments. In addition, the Company utilizes its research capabilities to fill research gaps in traditionally underfunded areas, like chronic pain. NeuPath has completed data collection and is now working to publish the findings from a 550-patient study focused on chronic pain and the impact of NeuPath's treatments on patients' lives.

Technology
NeuPath utilizes technology to enhance in-person care or to make care more accessible or more convenient for patients. During the COVID-19 pandemic in 2020, the Company enhanced its virtual care capabilities by converting approximately 9% of total patient visits to virtual visits. Virtual care is becoming increasingly important for patients. According to a recent study by Environics Research, 82% of Canadians believe their employer should provide access to virtual health care. In addition, NeuPath is currently working to develop a remote chronic pain management app that will allow patients to access education and tools that will help them better self-manage chronic pain. The Company's remote pain management app will utilize a more holistic, patient-centred approach to chronic pain management by including education and tools around sleep, exercise, diet and behaviour modification, in addition to traditional pharmacotherapy approaches for managing chronic pain. The app will allow for improved data collection and will facilitate improved communication between health care providers and patients. A recent study by University Health Network found that "digital solutions, including remote monitoring, can help chronic pain sufferers manage their pain".

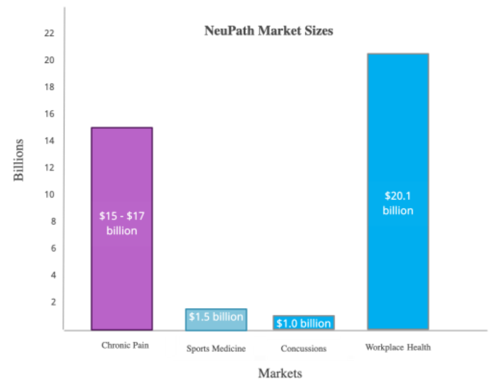
Assessments & Treatments
NeuPath operates an interdisciplinary network of medical clinics in Ontario and Alberta and an independent medical assessment business with a national network of health care providers. The Company's medical clinics provide comprehensive assessments and rehabilitation services to clients with chronic pain, musculoskeletal/back injuries, sports related injuries and concussions. NeuPath's health care providers cover a broad range of specialties and include: Physiatrists, Neurologists, Anesthesiologists, General Practitioners with specialized training in chronic pain, as well as Medication Management Physicians, Athletic Therapists and Nurses.

NeuPath provides workplace health services and independent medical assessments to employers and disability insurers through a national network of health care providers, including: Cardiologists, Dentists, Dermatologists, Endocrinologists, Psychiatrists, Gastroenterologists, General Practitioners, Internal Medicine Specialists, Neurologists, Neuropsychiatrists, Neuropsychologists, Occupational Therapists, Ophthalmologists, Orthopedic Surgeons, Physiatrists, Physiotherapists, Psychologists, Respirologists and Rheumatologists.

NeuPath generates revenue by providing both insured and uninsured services to patients. Insured services include treatments or procedures covered by provincial health plans and third-party health insurance plans. In most cases, the insurer is billed directly by NeuPath. Uninsured services include assessments, treatments and procedures that are not covered by provincial health plans or third-party health insurance plans and are billed directly to patients.

Markets

The Company competes in the chronic pain, sports medicine, concussion and workplace health services markets in Canada. Conditions often coexist amongst these distinct markets, for example, chronic pain is one of the known consequences of a traumatic brain injury. NeuPath believes that having the ability to treat these often co-existing conditions and building collaborative, interdisciplinary teams of health care providers are distinct competitive advantages and are important foundations for improving patient care.



Chronic Pain

According to the Global Burden of Disease Study, chronic pain is the 4th most burdensome disease or condition[(1)]. Not surprisingly, chronic pain is also prevalent, impacting approximately 1 in 5 adults worldwide[(2)]. Despite chronic pain's prevalence and impact, it has only recently started to attract increased attention. In May 2019, the World Health Organization added chronic pain to its International Classification of Diseases for the first time. The International Classification of Diseases is used worldwide as a diagnostic tool to classify causes of injury or death and the addition of chronic pain will allow for better tracking of the impact and prevalence of chronic pain. In addition, the Canadian federal government formed the Canadian Pain Task Force in March 2019 to assess how chronic pain is currently managed and make recommendations for improvement. Both of these initiatives should result in increased attention on chronic pain.

In terms of cost, a recent study found that chronic pain cost between $38-$40 billion in Canada in 2019, of which $15-$17 billion represents direct health care costs[(3)].

Sports Medicine

According to a 2015 report by Parachute, injuries in sports and physical activity cost the Canadian health care system nearly $1.5 billion annually.

Concussions

Concussions or traumatic brain injuries ("TBIs") have gained prominence recently mainly due to research and improved understanding around chronic traumatic encephalopathy ("CTE") and its connection to head trauma. *The Cost of Injury in Canada* study, released in 2015, estimated the cost of head injuries in sports and recreation at $1.0 billion per year in Canada.

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(1) Kassebaum NJ, Smith AGC, Bernabé E, Fleming TD, Reynolds AE, Vos T, Murray CJL, Marcenes W; GBD 2015 Oral Health Collaborators. Global, Regional, and National Prevalence, Incidence, and Disability-Adjusted Life Years for Oral Conditions for 195 Countries, 1990-2015: A Systematic Analysis for the Global Burden of Diseases, Injuries, and Risk Factors. J Dent Res. 2017 Apr;96(4):380-387. doi: 10.1177/0022034517693566. PMID: 28792274; PMCID: PMC5912207.

(2) BU School of Public Health. (2017). Chronic Pain and the Health of Populations. Retrieved from https://www.bu.edu/sph/news/articles/2017/chronic-pain-and-the-health-of-populations/.

(3) The Canadian Pain Task Force. (2020). Working Together to Better Understand, Prevent, and Manage Chronic Pain: What We Heard. Cat.: H134-17/2020E-PDF. Retrieved from https://www.canada.ca/content/dam/hc-sc/documents/corporate/about-health-canada/public-engagement/external-advisory-bodies/canadian-pain-task-force/report-2020-rapport/report-2020.pdf.

Workplace Health Services
Spending on employee benefit group life and health plans in Canada was estimated to be $46.1 billion in 2019, with $21.9 billion spent on medical benefits. A significant portion of this cost is allocated to traditional benefits like medical, dental and life/AD&D. A recent study by Deloitte found that employers are increasingly aware that conditions like mental illness are costly for employers. As a result, some employers are investing in workplace mental health initiatives and, more importantly, are generating a positive return on investment.

According to a recent report by the Conference Board of Canada, health care costs in Canada are expected to increase substantially over the next decade due to an aging population, combined with population growth and the impact of the COVID-19 pandemic. Without substantial increases in public funding, Canadians could experience a reduction in access to care and employers could see a corresponding increase in lost productivity. Based on early experiences with workplace mental health initiatives, in an effort to reduce the costs associated with lost productivity, employers might look to implement other workplace health initiatives.

Significant Transactions

HealthPointe Acquisition
On February 7, 2021, the Company completed the acquisition of HealthPointe Medical Centres Ltd. (“HealthPointe”). HealthPointe operates a 20,000 square foot facility in Edmonton, Alberta offering physician-based care services for a wide range of injuries and issues, including chronic pain management, spinal injuries, sport medicine and concussions. Patients receive interdisciplinary care from HealthPointe’s roster of Physiatrists, Neurologists, Medication Management Physicians, Athletic Therapists and Nurses. In addition to the medical clinic, HealthPointe also holds a minority equity interest in two physiotherapy and sport medicine clinics in Alberta.

Under the terms of the Share Purchase Agreement, in consideration for the purchase of 100% of the issued and outstanding shares of HealthPointe, NeuPath agreed to pay total cash consideration of up to $4.7 million, including an upfront payment of $3.2 million and up to $1.5 million of contingent consideration over a two-year measurement period, based on the achievement of certain financial results, as well as the assumption of approximately $2.0 million of term debt spread across a number of facilities which renew annually for consecutive 12-month periods bearing interest at the Royal Bank of Canada (“RBC”) prime rate, and approximately $93 for cash and other working capital adjustments.

Bought Deal Financing
On November 13, 2020, the Company closed a short-form prospectus offering, on a bought deal basis, including the full exercise of the underwriters' overallotment option. The Company issued a total of 13,340,000 units at the price of $0.90 per unit for aggregate gross proceeds of approximately $12.0 million. Each unit comprised of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of $1.25 until November 13, 2022. The Company has the right to accelerate the expiry date of the warrants, upon no less than 15 trading days’ notice to the holders of warrants and issuing a news release announcing the acceleration, if the volume weighted average trading price of the common shares for any twenty consecutive trading days on the TSX Venture Exchange (the “Exchange”) exceeds $1.75 per share. In connection with the bought deal, the underwriters were paid cash commissions of $0.7 million and issued 800,400 broker warrants of the Company. Each broker warrant is exercisable to acquire one common share of the Company at the exercise price of $0.90 per common share until November 13, 2022. The Company incurred additional share issuance costs amounting to approximately $0.7 million in connection to the financing.

Qualifying Transaction
On June 25, 2020, the Company closed its qualifying transaction with 2576560 Ontario Inc. (“257”), Canada’s largest provider of chronic pain management services (the “Qualifying Transaction”). Prior to the Qualifying Transaction, the Company was known as Klinik Health Ventures Corp. (“Klinik”), a capital pool company as defined by Policy 2.4 of the Exchange. Pursuant to the terms of the Qualifying Transaction, the Company indirectly acquired all of the issued and outstanding shares of 257 in consideration for common shares of the Company. The Qualifying Transaction was effected through a reverse takeover

structured as a court approved plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the “Arrangement”) on the terms and conditions set out in the arrangement agreement dated as of April 24, 2020, among the Company, 2752695 Ontario Inc. (a wholly owned subsidiary of the Company at the time) and 257.

Pursuant to the Arrangement: (i) the holders of common shares of 257 received five (5) common shares of the Company in exchange for each common share of 257 held by them (the “Exchange Ratio”); (ii) all outstanding options and warrants of 257 were exchanged, based on the Exchange Ratio, for options and warrants of the Company on substantially similar terms and conditions; and (iii) 257 amalgamated with 2752695 Ontario Inc. Immediately following the completion of the Arrangement, the Company completed a share consolidation on a 5:1 basis (the “Consolidation”). Upon completion of the Arrangement and the Consolidation, there were 28,503,446 common shares of the Company issued and outstanding, of which, former shareholders of 257 held approximately 86% of the Company’s then issued and outstanding common shares. As a result, the Qualifying Transaction resulted in the reverse takeover of the Company by 257.

Upon completion of the Qualifying Transaction, the business of 257 became the business of the Company as a result of 257 becoming a wholly owned subsidiary of the Company. The common shares of the Company resumed trading on the Exchange on July 6, 2020 under the ticker symbol “NPTH”.

Impact of the COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, a global pandemic. The outbreak resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, border shutdowns, self-imposed quarantine periods, closure of non-essential businesses and restrictive social measures, have caused material disruption to businesses globally, resulting in an economic slowdown and significant volatility in global equity markets.

The COVID-19 pandemic had a negative impact on the Company’s revenue during the end of the first quarter and into the second quarter of 2020. During this period, a number of patients cancelled appointments and, in an effort to protect our patients, staff and physicians, we restricted patient volumes in our clinics and temporarily closed three clinics to patient visits at the end of March 2020. To minimize the impact on revenue, we were able to shift some patients, physicians and staff to other clinics in our network. After implementing additional safety protocols, the three clinics closed to patient visits in March 2020 were reopened in late April and early May.

The COVID-19 pandemic also impacted the cost of providing medical services to our patients. The Company continues to incur additional costs related to purchasing personal protection equipment, as well as additional labour costs to screen patients for COVID-19 symptoms prior to their appointments to ensure the safety of patients, physicians and our staff.

NeuPath’s executive team is closely monitoring the evolution of the pandemic and continues to focus on using technology to improve patient care. The health and safety of our employees, patients, physicians and community continue to be a top priority and the Company will continue to operate in a manner consistent with the emergency measures implemented by the Government of Canada and the Provinces of Ontario and Alberta to combat the spread of the COVID-19 pandemic.

Growth Strategy

The Company's growth strategy is focused on two key pillars:

- *Organic growth* - The Company's focus is to generate revenue growth by improving capacity utilization at its existing medical clinics. Capacity utilization was 62% in the three months ended March 31, 2021 compared to 54% in 2020. Capacity utilization was negatively impacted in 2020 by the COVID-19 pandemic.

- *Strategic acquisitions* - The market for medical clinics is highly fragmented in Canada. The Company acquired HealthPointe in Edmonton in February 2021 as the first step in its expansion into Western Canada. The Company plans to acquire medical clinics across the country to expand its national footprint and continue to leverage its existing infrastructure.

Selected Financial Information

	Three months ended March 31, 2021	Three months ended March 31, 2020
Operations	**$**	$
Clinic revenue	**13,542**	10,792
Non-clinic revenue	**651**	810
Total Revenue	**14,193**	11,602
Total operating expenses	**14,357**	12,181
Loss from operations	**(164)**	(579)
Other expenses	**414**	151
Loss before income taxes	**(578)**	(730)
Income tax expense	**124**	100
Net loss and comprehensive loss	**(702)**	(830)
Adjusted EBITDA[1]	**1,040**	524
Net loss per common share		
- basic and diluted	**(0.02)**	(0.05)
Weighted average number of common shares outstanding (in thousands)		
- basic and diluted	**43,133**	16,557

	As at March 31, 2021	As at December 31, 2020
Financial Position	**$**	$
Cash and cash equivalents	**7,484**	10,850
Total assets	**52,987**	46,120
Total non-current liabilities	**12,353**	8,516
Total liabilities	**25,988**	18,496
Total equity	**26,999**	27,624

1. Adjusted EBITDA is a non-IFRS measure. Please refer to *Non-IFRS Financial Measures* above.

Results of Operations

Medical Services

	Three months ended March 31, 2021	Three months ended March 31, 2020
	$	$
Clinic revenue	**13,542**	10,792
Non-clinic revenue	**651**	810
Total revenue	**14,193**	11,602

Total revenue is comprised of clinic revenue and non-clinic revenue. Total revenue was $14.2 million for the three months ended March 31, 2021 compared to $11.6 million for the three months ended March 31, 2020.

Clinic revenue
Clinic revenue is based on providing medical services to patients. Clinic revenue increased by 25% to $13.5 million for the three months ended March 31, 2021 compared to $10.8 million for the three months ended March 31, 2020. The acquisition of HealthPointe in February 2021 accounted for $1.8 million of the increase in clinic revenue, the balance is related to organic growth from improving capacity utilization. Overall, capacity utilization increased to 62% in the three months ended March 31, 2021 compared to 52% in the three months ended March 31, 2020.

Non-clinic revenue
Non-clinic revenue was $0.7 million for the three months ended March 31, 2021 compared to $0.8 million for the three months ended March 31, 2020. Non-clinic revenue is earned from physician staffing where NeuPath provides physicians for provincial and federal correctional institutions and hospital health departments across Canada, and from contract research services provided to pharmaceutical companies and clinical research organizations. This revenue fluctuates depending on the need for physicians in certain institutions and the timing and enrolment of clinical studies that the Company is working on.

Significant Customers

Under IFRS 8, *Operating Segments* ("IFRS 8"), major customers are those that account for greater than 10% of the Company's consolidated revenues. The Company has two major customers that accounted for 90% of the Company's total revenue for the three months ended March 31, 2021 [one major customer represented 92% of the Company's total revenue for the three months ended March 31, 2020]. The Company's credit risk is low as its major customers are both government organizations.

Operating Expenses

	Three months ended March 31, 2021	Three months ended March 31, 2020
	$	$
Cost of medical services	**11,215**	9,371
General and administrative	**1,904**	1,395
Occupancy costs	**313**	346
Depreciation and amortization	**711**	623
Interest cost	**214**	446
Total operating expenses	**14,357**	12,181

Total operating expenses were $14.4 million for the three months ended March 31, 2021 compared to $12.2 million for the three months ended March 31, 2020.

Cost of Medical Services
Cost of medical services was $11.2 million for the three months ended March 31, 2021 compared to $9.4 million for the three months ended March 31, 2020. Cost of medical services increased due to increased medical services revenue and includes $0.2 million of remuneration payment accruals related to the HealthPointe acquisition. Cost of medical services as a percentage of medical services revenue improved to 79.0% for the three months ended March 31, 2021 compared to 80.8% for the three months ended March 31, 2020. Adjusted for remuneration payment accruals, cost of medical services was 77.7% for the three months ended March 31, 2021.

General and Administrative
General and administrative ("G&A") expenses increased to $1.9 million for the three months ended March 31, 2021 compared to $1.4 million for the three months ended March 31, 2020. The increase in G&A expenses was due to the inclusion of HealthPointe and public company costs.

Occupancy Costs
Occupancy costs were $0.3 million for the three months ended March 31, 2021 and 2020. Occupancy costs represent the costs related to leased and owned facilities. As at March 31, 2021, the Company leased twelve facilities and owned one facility.

Depreciation and Amortization
Depreciation and amortization expenses were $0.7 million for the three months ended March 31, 2021 compared to $0.6 million for the three months ended March 31, 2020. The increase in depreciation and amortization expenses was due to the acquisition of HealthPointe.

Interest Costs
Interest costs were $0.2 million for the three months ended March 31, 2021 compared to $0.4 million for the three months ended March 31, 2020. Interest costs relate to the outstanding debt and interest charges due to accretion of interest related to leases. The decrease is attributable to the conversion of preferred shares and convertible debentures to common shares in June 2020 pursuant to the completion of the Qualifying Transaction (See *Significant Transactions - Qualifying Transaction*).

Loss from Operations
Loss from operations was $0.2 million for the three months ended March 31, 2021 compared to $0.6 million for the three months ended March 31, 2020. The decrease in loss from operations in the current quarter was related to increased medical services revenue and improved margins on medical services revenue.

Other Expenses (Income)

	Three months ended March 31, 2021	Three months ended March 31, 2020
	$	$
Fair value adjustments	**-**	163
Finance income	**(9)**	(12)
Transaction costs	**423**	-
Total other expenses	**414**	151

Fair Value Adjustments
The Company recognized fair value adjustments of $nil for the three months ended March 31, 2021 compared to $0.2 million for the three months ended March 31, 2020. Fair value adjustments related to the preferred shares and convertible debentures which were converted to common shares as part of the Qualifying Transaction.

Finance Income
Finance income was $9 for the three months ended March 31, 2021 compared to $12 for the three months ended March 31, 2020. Finance income relates to accretion on rent receivables related to subleases at its clinical and office locations in Canada.

Transaction Costs
Transaction costs were $0.4 million for the three months ended March 31, 2021 compared to $nil for the three months ended March 31, 2020. Transaction costs relate to the acquisition of HealthPointe.

Net Loss and Comprehensive Loss

	Three months ended March 31, 2021	Three months ended March 31, 2020
	$	$
Net loss before income taxes	**(578)**	(730)
Income tax expense	**124**	100
Net loss and comprehensive income loss	**(702)**	(830)

Income Tax Expense
Income tax expense was $0.1 million for the three months ended March 31, 2021 and 2020. The Company's income tax expense related to income generated from two of its wholly owned subsidiaries. The Company has available tax losses within its consolidated operations and is currently assessing its tax structure.

Net Loss and Comprehensive Loss
Net loss and comprehensive loss was $0.7 million for the three months ended March 31, 2021 compared to $0.8 million for the three months ended March 31, 2020. The improvement in net loss during the three months ended March 31, 2021 was related to increased medical services revenue, partially offset by transaction costs related to the HealthPointe acquisition.

Segments
IFRS 8 requires operating segments to be determined based on internal reports that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance. The Company has one operating segment: medical services.

Liquidity and Capital Resources

	Three months ended March 31, 2021	Three months ended March 31, 2020
	$	$
Net loss and comprehensive loss	**(702)**	(830)
Items not involving current cash flows	**958**	1,226
Cash provided by operations	**256**	396
Net change in non-cash working capital	**(10)**	481
Cash provided by operating activities	**246**	877
Cash used in investing activities	**(2,844)**	(19)
Cash used in financing activities	**(768)**	(1,264)
Net change in cash and cash equivalents during the period	**(3,366)**	(406)
Cash and cash equivalents, beginning of period	**10,850**	883
Cash and cash equivalents, end of period	**7,484**	477

Cash
As at March 31, 2021, cash was $7.5 million compared to $10.9 million as at December 31, 2020 and $0.5 million as at March 31, 2020.

Operating Activities
Cash provided by operating activities was $0.2 million for the three months ended March 31, 2021 compared to $0.9 million for the three months ended March 31, 2020. The $0.7 million decrease in cash provided by operating activities related to a $0.1 million reduction in cash provided by operations and a $0.5 million recovery of working capital in 2020.

Investing Activities

Cash used in investing activities was $2.8 million for the three months ended March 31, 2021 compared to $19 for the three months ended March 31, 2020. Cash used in investing activities for the current quarter primarily related to the acquisition of HealthPointe (see *Significant Transactions – HealthPointe Acquisition*). Cash used in investing activities for the three months ended March 31, 2020 was related to the acquisition of equipment for medical clinics.

Financing Activities

Cash used in financing activities was $0.8 million for the three months ended March 31, 2021 compared to $1.3 million for the three months ended March 31, 2020. Cash used in financing activities for the current quarter was related to $0.8 million in repayments of long-term debt and lease obligations. Cash used in financing activities in the comparative quarter related to $0.6 million in repayment of a promissory note related to the acquisition of InMedic in 2018 and $0.7 million in repayments of long-term debt and lease obligations.

Working Capital

The Company defines working capital as current assets, less accounts payable and accrued liabilities, provisions and current income tax liabilities. The Company anticipates that its current working capital, the net proceeds from financing and the revenue it expects to generate from its continuing operations will be sufficient to satisfy its current debt obligations and working capital needs for the next 12 months. The Company's ability to satisfy its non-current debt obligations will depend principally upon its future operating performance.

Capital Structure

The Company's strategy includes organic growth through improved capacity utilization and growth through strategic acquisition. To execute this strategy, the Company may need to access additional resources under existing loan arrangements or seek alternate sources of financing, including through equity issuances.

The Company expects to continue to be able to meet all obligations as they become due using some or all of the following sources of liquidity: cash flow generated from operations, existing cash and cash equivalents on hand and additional borrowing capacity under its senior secured term loan facility. In addition, subject to market conditions, the Company may raise additional funding through equity financing. The Company believes that its capital structure will provide it with financial flexibility to pursue future growth strategies. However, the Company's ability to fund operating expenses and debt service requirements will depend on, among other things, future operating performance, which will be affected by general economic, industry, financial and other factors, including the impact of the COVID-19 pandemic and other factors beyond the Company's control (See *Risk Factors)*.

Selected Quarterly Information

The following is selected quarterly financial information for the Company over the last eight quarterly reporting periods:

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
	$	$	$	$	$	$	$	$
Clinic revenue	**13,542**	12,243	11,434	10,452	10,792	12,234	11,967	12,150
Non-clinic revenue	**651**	567	571	770	810	809	702	855
Total operating expenses	**14,357**	13,652	12,116	11,978	12,181	14,374	13,098	13,641
Other expenses (income)	**414**	(56)	(11)	2,488	151	1,888	79	17
Net loss and comprehensive loss	**(702)**	(587)	(290)	(3,351)	(830)	(2,761)	(589)	(817)
Adjusted EBITDA[1]	**1,040**	116	735	600	524	464	660	421
Net loss per common share								
- basic and diluted	**(0.02)**	(0.02)	(0.01)	(0.19)	(0.05)	(0.17)	(0.04)	(0.05)

[1] Adjusted EBITDA is a non-IFRS measure. Please refer to *Non-IFRS Financial Measures* above.

Financial Instruments

Classification of Financial Instruments
Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The classification of the financial instruments, as well as their carrying values, are shown in the table below:

	March 31, 2021	December 31, 2020
	$	$
Financial assets at amortized cost		
Cash and cash equivalents	**7,484**	10,850
Accounts receivable	**8,930**	7,672
Total financial assets	**16,414**	18,522
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**7,520**	5,612
Provisions	**75**	150
Due to related parties	**3,674**	3,674
Long-term debt	**5,996**	4,329
Lease obligations	**8,325**	4,672
Total financial liabilities	**25,590**	18,437

The Company's financial instruments are measured at amortized cost and their fair values approximate carrying values.

Financial Instruments
IFRS 13, *Fair Value Measurements* requires disclosure of a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
- Level 2 - Observable inputs other than quoted prices in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Significant unobservable inputs that are supported by little or no market activity.

The Company reviews the fair value hierarchy classification on a quarterly basis. Changes to the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The Company did not have any transfer of assets or liabilities between Level 1, Level 2 and Level 3 of the fair value hierarchy during the three months ended March 31, 2021 and 2020.

FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors mitigates these risks by assessing, monitoring and approving the Company's risk management process. This is not an exhaustive list of all risks nor will the mitigation strategies eliminate all risks listed.

Credit Risk
The Company, in the normal course of business, is exposed to credit risk from its customers. Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and cash equivalents and accounts receivable. The Company's objective with regards to credit risk in its operating activities is to reduce its exposure to losses. As the Company does not utilize credit derivatives or similar instruments, the maximum

exposure to credit risk is the full amount of the carrying value of its cash and cash equivalents and accounts receivable.

The Company's accounts receivable relates to medical services revenue earned from its customers. Credit risk is low as the Company's major customers are government organizations. Non-government customers include private health plans and employers, and do not significantly impact the Company's credit risk.

The Company's cash and cash equivalents is held with multiple financial institutions in various bank accounts. These financial institutions include three major banks in Canada, which the Company believes lessens the degree of credit risk. Cash and cash equivalents include cash on hand and current balances with banks and similar institutions, including money market mutual funds, which are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

As a result of COVID-19, the Company has not noted a significant change in the credit risk of its financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations as they become due. The Company's objective is to provide for expected cash requirements and accommodate for changes in liquidity needs. The Company manages this risk by managing its capital structure through continuous monitoring of its actual and projected cash flows.

As a result of COVID-19, the Company has reviewed the working capital requirements needed for medical supplies and the additional safety protocols that were implemented to comply with guidelines from the Ontario Government (See Note 2, *Going Concern Assumption*).

As at March 31, 2021, the Company's financial liabilities had contractual maturities as summarized below:

		Current	**Non-current**		
	Total	**Within 12 Months**	**1 to 2 Years**	**3 to 5 Years**	**> 5 years**
	$	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities	**7,520**	7,520	-	-	-
Provisions	**75**	75	-	-	-
Due to related parties	**3,674**	-	3,674	-	-
Long-term debt	**5,996**	4,686	1,310	-	-
Lease obligations	**8,325**	1,354	2,469	1,469	3,033
	25,590	**13,635**	**7,453**	**1,469**	**3,033**

The Company believes that its current working capital will be sufficient to satisfy its current debt obligations; however, the Company's ability to satisfy its non-current debt obligations will depend principally upon its future operating performance. The Company's inability to generate sufficient cash flow to satisfy its debt service obligations or to refinance its obligations on commercially reasonable terms could materially adversely impact the Company's business, financial condition or operating results.

Interest Rate Risk

Financial instruments that potentially subject the Company to cash flow interest rate risk are those assets and liabilities with a variable interest rate. Only two of the Company's loan facilities included in long-term debt have a variable interest rate. Accordingly, with respect to the carrying and fair values of interest-bearing liabilities, an assumed 25-basis point increase or decrease in interest rates would not have a significant impact on net loss and comprehensive loss.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company's lease obligations and long-term debt are at fixed rates of interest. Those that are non-interest bearing are carried at amortized cost and calculated using discount rates appropriate to the related debt.

The Company's policy is to minimize interest rate cash flow risk exposures on its long-term financing.

Litigation

From time to time, during the ordinary course of business, the Company may be threatened with, or may be named as, a defendant in various legal proceedings including lawsuits. Such proceedings may include, but are not limited to product liability, personal injury, breach of contract and lost profits or other consequential damage claims. Currently, there are no material ongoing proceedings.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

The Company's related parties include certain investors and shareholders, subsidiaries and key management personnel.

Loans from Related Parties
The following related party balances were outstanding as at:

	March 31, 2021	December 31, 2020
	$	$
Due to Bloom Burton & Co. Inc.	**3,631**	3,631
Due to Bloom Burton Development Corp.	**43**	43
	3,674	3,674

The amount due to Bloom Burton & Co. Inc. ("BBCI"), a shareholder of the Company, is non-interest bearing, unsecured and due on demand. BBCI has agreed not to call the loan prior to December 31, 2022.

The amount due to Bloom Burton Development Corp. ("BBDC"), a shareholder of the Company, is non-interest bearing, unsecured and due on demand. BBDC has agreed not to call the loan prior to December 31, 2022.

Outstanding Share Data

As at March 31, 2021, the Company had (i) 45,068,446 common shares, (ii) 23,681,153 common share purchase warrants (with strike prices ranging from $0.0001 to $2.00 per common share), (iii) 198,175 restricted share units (all unvested) and (iv) 1,921,030 stock options (of which 725,866 have vested), issued and outstanding. The fully diluted number of common shares outstanding at the date hereof is 70,868,804.

On February 23, 2021, 3,225,000 prepaid warrants with a fair value of $3.0 million and exercise price of $0.0001 were exercised for common shares. The Company received nominal cash proceeds upon exercise.

During the three months ended March 31, 2021, 1,953,750 warrants with an exercise price of $1.00 expired.

Critical Accounting Policies and Estimates

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions at the date of the Consolidated Financial Statements that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting periods. Management has identified accounting estimates that it believes are most critical to understanding the Consolidated Financial Statements and those that require the application of management's most subjective judgments, often requiring the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. The Company's actual results could differ from these estimates and such differences could be material. All significant accounting policies are disclosed in Note 4, *Adoption of New Accounting Standards* and Note 5, *Summary of Significant Accounting Policies* of the Company's annual Consolidated Financial Statements for the year ended December 31, 2020.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board ("IASB") or IFRS Interpretations Committee for fiscal periods beginning on or after January 1, 2021. The standards impacted that may be applicable to the Company are as follows:

(a) *Amendments to IFRS 16: Leases, Covid-19-Related Rent Concessions*
In May 2020, the IASB issued amendments to IFRS 16, *Leases, Covid-19-Related Rent Concessions* ("IFRS 16") that was approved on May 28, 2020. The Amendment resulted in the introduction of a 'practical expedient, which enables a lessee to elect not to assess whether a rent concession meets the conditions of a lease modification' as per IFRS 16. In March 2021, the IASB had extended by one year the application period of the practical expedient from June 20, 2021 to June 30, 2022. The implementation of these amendments is not expected to have a significant impact on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Risk Factors

The Company is exposed to a variety of known and unknown risks in the pursuit of its strategic objectives. The impact of any risk may adversely affect, among other things, the Company's business, reputation, financial condition, results of operations and cash flows, which may affect the market price of its securities.

The Company attempts to mitigate its strategic risks to an acceptable level through a variety of policies, systems and processes. A summary of certain significant risks that are reasonably likely to affect the financial performance of the Company is set forth above under the heading entitled "Financial Risk Management." For a comprehensive discussion of the risks and uncertainties that could have an effect on the business and operations of the Company, investors are urged to review the AIF, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

An investment in the common shares is speculative and involves a high degree of risk due to the nature of the Company's business. It is recommended that investors consult with their own professional advisors before investing in the Company's common shares.