

## NEUPATH HEALTH REPORTS 2021 FIRST QUARTER RESULTS

- Achieved record quarterly revenue and adjusted EBITDA
- Total medical services revenue increased by 22% to \$14.2 million in the quarter
- Adjusted EBITDA margin improved to 7.3% vs. 4.5% in the comparable prior year quarter
- Building on strong quarterly results by working to expand network and service offerings

**TORONTO, ONTARIO, May 20, 2021** – NeuPath Health Inc. (TSXV:NPTH), (“NeuPath” or the “Company”), owner and operator of a network of clinics that deliver category-leading treatment for chronic pain, as well as spinal injuries, sports-related injuries, and concussions, today announced its financial and operating results for the three months ended March 31, 2021. All figures are in Canadian dollars, unless otherwise noted.

### Financial and Operational Highlights

- Total medical services revenue increased by 22% to \$14.2 million for the three months ended March 31, 2021 compared to \$11.6 million in Q1 2020;
- Adjusted EBITDA<sup>(1)</sup> improved to \$1.0 million or 7.3% of revenue for the three months ended March 31, 2021 compared to \$0.5 million or 4.5% of revenue in Q1 2020; and
- On February 8, 2021, the Company announced the acquisition of HealthPointe Medical Centres Ltd. (“HealthPointe”), a leading pain, spine and sport medicine clinic located in Edmonton, Alberta. HealthPointe provides a strong platform to build out the Company’s network and operations in Western Canada. The Company is currently working on opportunities to build out its network in Alberta and the rest of Canada.

“Across our network, despite continuing to operate under pandemic protocols, our physicians, nurses, and other health care providers continue to provide critical care to patients. The significant revenue growth this quarter was driven by both the acquisition of HealthPointe and organic growth from capacity utilization improvements across our clinic network. We also saw strength in our employer and insurance carrier channels; revenue from independent medical assessments increased over 50% this quarter versus the prior year period,” said Grant Connelly, CEO of NeuPath. “The significant improvement in adjusted EBITDA margins also demonstrates the operating leverage in the business; incremental revenue gains led to fairly significant improvements in profitability. These results are also confirmation of our strategy to identify strategic, platform acquisitions and utilize the Company’s evidence-based approach and technology to unlock access to care for patients and drive strong financial performance for shareholders.”

### Q1 2021 Financial Results

Total medical services 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 for the current quarter increased by 25% to \$13.5 million compared to \$10.8 million in the comparative quarter. The increase in total medical services revenue was related to the acquisition of HealthPointe and improvement in capacity utilization across the Company’s clinic network.

Total operating expenses increased to \$14.4 million for the three months ended March 31, 2021 compared to \$12.2 million for the three months ended March 31, 2020. The increase was related to the acquisition of HealthPointe, offset by lower interest costs.

For the three months ended March 31, 2021, adjusted EBITDA increased to \$1.0 million compared to \$0.5 million in the comparative quarter due to an improvement in revenue and gross margins.

<sup>(1)</sup> Non-International Financial Reporting Standard (“IFRS”) financial measure defined by the Company below.

## Non-IFRS Financial Measures

This news release contains financial terms (such as adjusted EBITDA) that are not considered in IFRS. Such financial measures, together with measures prepared in accordance with IFRS, provide useful information to investors and shareholders, as management uses them to evaluate the operating performance of the Company. The Company's determination of these non-IFRS measures may differ from other reporting issuers, and therefore are unlikely to be comparable to similar measures presented by other companies. Further, these non-IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows prepared in accordance with IFRS. These financial measures are included because management uses this information to analyze operating performance and liquidity.

### Adjusted EBITDA

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.

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, fair value adjustments, listing expense and transaction costs, impairment and finance income.

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

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

<sup>1</sup> 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.

For further details on the results, please refer to NeuPath's Management, Discussion and Analysis and Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2021, which are available on the Company's website ([www.neupath.com](http://www.neupath.com)) and under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

## About NeuPath

NeuPath is a vertically integrated health care provider utilizing research, data-driven insights, technology, and interdisciplinary care to help restore function for patients impacted by chronic pain, spinal injuries, sport-related injuries, and concussions. With equity ownership in fifteen clinics in Ontario and Alberta, NeuPath is building out a large-scale network to better serve patients across Canada and the United States. NeuPath is focused on transforming the hope of a better life into the reality of a life more fully lived.

## Forward-Looking Statements

*This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including, without limitation, the execution of the Company's expansion strategy in 2021, including the build out of the Company's network in Alberta are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations included in this news release include, among other things, the severity, duration and spread of the COVID-19 outbreak, as well as its direct and indirect impacts that the pandemic may have on the Company's operations, adverse market conditions, risks associated with obtaining and maintaining the necessary governmental permits and licenses related to the business of the Company, increasing competition in the market and other risks generally inherent in the chronic pain, sports medicine, concussion and workplace health services markets. A comprehensive discussion of these and other risks and uncertainties can be found in the Company's annual information form dated March 25, 2021 filed on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).*

*Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty.*

### **For more information, please contact:**

Stephen Lemieux  
[slemieux@neupath.com](mailto:slemieux@neupath.com)

**NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS THE RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**