

## **Neupath Health Announces Strategic Acquisition of Virtual Care Business and Management Changes**

TORONTO--(BUSINESS WIRE)--June 9, 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 a strategic transaction to acquire KumoCare, a virtual care platform to further expand NeuPath’s virtual care and telemedicine offerings. Prior to the pandemic, patients and their physicians alike preferred an in-person care experience. The care model changed out of necessity in 2020 to bring about virtual care via telemedicine that was both clinically useful and economically viable. NeuPath went from no virtual care visits in 2019 to nearly 10% of all consultations in 2020 and is currently above those levels in 2021. There are numerous benefits to NeuPath from this transaction, including:

- reduced wait times with more efficient and easy access for patients and their physicians alike;
- drives a new revenue line for NeuPath across all of NeuPath’s offerings;
- the ability to provide care beyond the physical constraints of clinic locations and hours;
- seamless integration with health card validation and payment processing; and
- NeuPath intends to unveil additional business lines over time, powered by the KumoCare platform.

“The acquisition of KumoCare and its telemedicine platform is an important step forward in the advancement of our virtual care strategy which will allow us to elevate the patient care experience and unlock additional revenue generating opportunities in both the public and private healthcare segments,” stated Grant Connelly, CEO of NeuPath. Mr. Connelly further commented, “NeuPath’s goal is to be able to deliver the best quality care, as quickly and efficiently as possible, and wherever possible, while improving outcomes. This transaction enables us to achieve those goals by providing the best tools and a complete service offering to our patients and the physicians who deliver that care. We encourage you to explore KumoCare’s offering on their website ([www.kumocare.com](http://www.kumocare.com)) and their app is available on both the AppStore for iOS devices and Google Play for Android devices.”

Under the terms of the definitive agreement and in consideration for the purchase of 100% of the issued and outstanding shares of Aidly Inc. and KumoCare Peel York Inc., the owners of KumoCare, NeuPath has agreed to pay total consideration of up to \$1.5 million subject to a net working capital adjustment, payable as follows: (i) \$1.0 million payable in NeuPath shares based on the volume weighted average price for the ten consecutive trading days immediately preceding the closing date; and (ii) additional cash consideration of up to \$0.5 million, based on the achievement of certain operational targets. The acquisition is subject to customary closing conditions, including approval by the TSX Venture Exchange. The transaction is expected to close in the third quarter of 2021.

*Management Changes*

As part of the KumoCare acquisition, Ben Fagan has agreed to join NeuPath as Chief Technology Officer. Prior to joining KumoCare as Chief Technology Officer, Mr. Fagan spent ten years in the financial sector, designing and managing the development of complex capital markets software for TD Securities and BMO Capital Markets. Mr. Fagan obtained a Master's of Financial Engineering from the University of Michigan.

In addition, NeuPath announces that Stephen Lemieux, Chief Financial Officer, will resign effective June 30, 2021 to pursue a new career opportunity. NeuPath has initiated a search for a replacement, and has appointed Jeff Zygouras as the interim Chief Financial Officer until such time as NeuPath finds a permanent replacement for Mr. Lemieux. Mr. Zygouras, CPA, CA is a highly experienced financial professional who has served as NeuPath's Controller since 2019. Prior to joining NeuPath, Mr. Zygouras held senior financial roles at Nuvo Pharmaceuticals Inc. and Crescita Therapeutics Inc. and was an auditor at EY Canada.

“We are highly confident in Jeff's ability to take on this role, given his extensive experience and deep knowledge of the business. NeuPath has benefited tremendously from Stephen's passion for our mission combined with the financial oversight he has provided in his role as CFO,” stated Dianne Carmichael, Chair of NeuPath's Board of Directors. “Stephen was integral in building NeuPath's current financial systems and processes, NeuPath's go public transaction, and NeuPath's success to date. We appreciate his commitment and work and wish him well in his new opportunity.”

## **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 closing of the KumoCare acquisition and the benefits from the closing of the KumoCare acquisition described herein. 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.*

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