NEUPATH HEALTH DELIVERS 28% REVENUE GROWTH IN FISCAL 2021 AND APPOINTS CFO

- **Total revenue increased by 22% to $15.6 million in the quarter**
- **Same-clinic revenue growth(1) of 10% for the year ended December 31, 2021**
- **Adjusted EBITDA growth(1) of 27% vs fiscal 2020**
- **12th consecutive quarter of positive adjusted EBITDA(1)**
- **Construction complete on 3 new fluoroscopy suites in Red Deer, Alberta and Hamilton, Ontario**

TORONTO, ONTARIO, March 17, 2022 – NeuPath Health Inc. (TSXV:NPTH), ("NeuPath" or the "Company"), owner and operator of a network of clinics delivering category-leading chronic pain treatment, today announced its financial and operating results for the three months and year ended December 31, 2021. All figures are in Canadian dollars, unless otherwise noted.

Financial and Operational Highlights

- Strong quarterly revenue of $15.6 million compared to $12.8 million in the comparable quarter;
- For the year ended December 31, 2021, revenue grew by 28% to $60.9 million compared to $47.6 million for the year ended December 31, 2020;
- Adjusted EBITDA was $148,000 for the three months ended December 31, 2021 compared to $116,000 for the comparable quarter;
- Year-over-year adjusted EBITDA growth of 27% for the year ended December 31, 2021; and
- On November 30, 2021, the Company announced it had entered into a partnership with Central Alberta Orthopedics ("CAO"), a leading provider of multidisciplinary care in musculoskeletal trauma and reconstructive surgery, to open an interdisciplinary pain institute in Red Deer, Alberta. The clinic is expected to be open to patients in May 2022 and ownership of the newly formed corporation is split 50/50 between NeuPath and CAO.

"NeuPath continues to deliver profitable growth while also building a strong foundation for future growth," stated Grant Connelly, NeuPath's Chief Executive Officer. "We completed the first phase of our clinic rebrand, while also investing in technology, the patient experience, and adding talent to our leadership team. These investments will drive future financial performance while also delivering value to patients, healthcare providers, payors, and investors."

Corporate Developments

NeuPath's board of directors has appointed Jeff Zygouras, CPA, CA as Chief Financial Officer and Corporate Secretary effective March 17, 2022. Mr. Zygouras is an accomplished financial professional who has served as NeuPath's Corporate Controller since 2019, and most recently as Interim Chief Financial Officer. 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. Mr. Zygouras is a Chartered Professional Accountant and holds a Master of Management and Professional Accounting from the University of Toronto.

Q4 2021 Financial Results

Total revenue was $15.6 million for the three months ended December 31, 2021 compared to $12.8 million for the three months ended December 31, 2020. Clinic revenue for the current quarter increased by 20% to $14.7 million compared to $12.2 million in the comparative quarter. The increase in total revenue was related to the acquisition of HealthPointe Medical Centres Ltd. ("HealthPointe") and improvement in capacity utilization across the Company's clinic network. For the year ended December 31, 2021, total revenue was $60.9 million compared to $47.6 million for the year ended December 31, 2020.

(1) Non-International Financial Reporting Standard ("IFRS") and Other Financial Measures defined by the Company below.

Gross margin %(1) was 17.9% for the three months ended December 31, 2021 compared to 19.7% for the three months ended December 31, 2020. For the year ended December 31, 2021, gross margin % was 18.2% compared to 20.4% for the comparative year. Gross margin was impacted by remuneration payment accruals associated with the HealthPointe acquisition, restricted share unit award accruals related to the HealthPointe physician vendors and Canada Emergency Wage Subsidy ("CEWS") payroll subsidies. Excluding these transaction-related accruals and CEWS, adjusted gross margin %(1) would have been 18.0% and 20.0% for the three months and the year ended December 31, 2021 compared to 19.1% and 19.5% for the three months and year ended December 31, 2020.

For the three months ended December 31, 2021, adjusted EBITDA was $148,000 compared to $116,000 in the three months ended December 31, 2020. For the year ended December 31, 2021, adjusted EBITDA was $2.5 million compared to $2.0 million for the year ended December 31, 2020.

Non-IFRS Financial and Other Measures

The Company discloses non-IFRS measures (such as EBITDA, adjusted EBITDA, gross margin and adjusted gross margin), non-IFRS ratios (such as gross margin % and adjusted gross margin %) and supplementary financial measures (such as same-clinic revenue growth) that do not have standardized meanings prescribed by International Financial Reporting Standards (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 and other 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 and other 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.

EBITDA and 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 EBITDA and adjusted EBITDA are useful supplemental non-GAAP measures 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 net loss and comprehensive loss to EBITDA and adjusted EBITDA:

	Three Months ended December 31		Year ended December 31	
	2021	2020	**2021**	2020
	$	$	**$**	$
Net loss and comprehensive loss	**(720)**	(587)	**(3,230)**	(5,058)
Add back:				
Depreciation and amortization	**842**	637	**3,085**	2,529
Net interest expense	**217**	179	**876**	1,468
Income tax expense (recovery)	**(299)**	(199)	**(17)**	198
EBITDA	**40**	30	**714**	(863)
Add back:				
Stock-based compensation	**(144)**	97	**517**	221
Fair value adjustments	**-**	-	**-**	405
Listing expense and transaction costs[1]	**260**	-	**1,314**	2,258
Finance income	**(8)**	(11)	**(34)**	(46)
Adjusted EBITDA	**148**	116	**2,511**	1,975

[1] Transaction costs for the year ended December 31, 2021, include 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.

Gross Margin, Gross Margin %, Adjusted Gross Margin and Adjusted Gross Margin %

Management believes gross margin, gross margin %, adjusted gross margin and adjusted gross margin % are important supplemental non-GAAP measures for evaluating operating performance and to allow for operating performance comparability from period-to-period. Gross margin is calculated as total revenue minus cost of medical services. Gross margin % is calculated as gross margin divided by total revenue. Adjusted gross margin is calculated as gross margin, plus remuneration payment accruals related to the HealthPointe acquisition, Restricted Share Unit ("RSU") award accruals related to the HealthPointe physician vendors and Canada Emergency Wage Subsidy ("CEWS") payroll subsidies available under the COVID-19 Economic Response Plan that were included in cost of medical services. Adjusted gross margin % is calculated as adjusted gross margin divided by total revenue.

The following table provides a reconciliation of total revenue to gross margin and adjusted gross margin:

	Three Months ended December 31		Year ended December 31	
	2021	2020	**2021**	2020
	$	$	**$**	$
Clinic revenue	**14,696**	12,243	**57,838**	44,921
Non-clinic revenue	**885**	567	**3,018**	2,718
Total revenue	**15,581**	12,810	**60,856**	47,639
Cost of medical services	**12,787**	10,292	**49,751**	37,920
Gross margin[1]	**2,794**	2,518	**11,105**	9,719
Gross margin %[1]	**17.9%**	19.7%	**18.2%**	20.4%
Add back:				
HealthPointe RSU award accruals[2]	**(170)**	-	**375**	-
HealthPointe remuneration payment accruals[2]	**186**	-	**750**	-
CEWS payroll subsidies[3]	**-**	(70)	**(47)**	(451)
Adjusted gross margin[1]	**2,810**	2,448	**12,183**	9,268
Adjusted gross margin %[1]	**18.0%**	19.1%	**20.0%**	19.5%

1 Gross margin, gross margin %, adjusted gross margin and adjusted gross margin % are non-IFRS measures. Please refer to *Non-IFRS Financial Measures* above.

2 Includes 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, and RSU equity award accruals also related to the HealthPointe acquisition.

3 CEWS payroll subsidies available under the COVID-19 Economic Response Plan that were included in cost of medical services.

Same-clinic Revenue Growth

Management believes same-clinic revenue growth is an important supplementary financial measure for evaluating operating performance and to allow for operating performance comparability from period to period. Same-clinic revenue growth is calculated as revenue per clinic divided by revenue per clinic in the comparative period for clinics that are open for at least 13 months.

For further details on the results, please refer to NeuPath's Management, Discussion and Analysis and Consolidated Financial Statements for the three months and year ended December 31, 2021, which are available on the Company's website (www.neupath.com) and under the Company's profile on SEDAR (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 seventeen 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 2022, 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 17, 2022 filed on SEDAR under the Company's profile at 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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