NEUPATH HEALTH REPORTS SECOND QUARTER 2020 RESULTS

Growth in Virtual Visits Provides Significant Support to Patients
COVID-19 Impact Limited to Q2

TORONTO, ONTARIO, August 27, 2020 – NeuPath Health Inc. (TSXV:NPTH) (formerly Klinik Health Ventures Corp.) ("NeuPath" or the "Company"), Canada's largest provider of chronic pain management services, today announced its financial and operating results for the three and six months ended June 30, 2020. For further details on the results, please refer to NeuPath's Management, Discussion and Analysis (MD&A) and Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2020 which are available on the Company's website (www.neupath.com) and under the Company's profile on SEDAR. All figures are in Canadian dollars, unless otherwise noted.

Key Developments

- On June 25, 2020, the Company closed its qualifying transaction. Prior to this transaction, the Company was known as Klinik Health Ventures Corp., a capital pool company. The Company indirectly acquired all of the issued and outstanding shares of 2576560 Ontario Inc. ("257") which resulted in a reverse takeover of the Company by 257. Upon the completion of the transaction, the business of 257 became the business of the Company. The common shares of the Company resumed trading on the TSX Venture Exchange on July 6, 2020 under the ticker symbol "NPTH".

- For the three months ended June 30, 2020, adjusted EBITDA[(1)] was $600,000, an increase of 43% compared to $421,000 for the three months ended June 30, 2019. The Company qualified for the Canada Emergency Wage Subsidy ("CEWS") program and received payroll subsidies totalling $0.5 million in the three months ended June 30, 2020, which partially offset the impact of the decrease in revenue.

- In response to COVID-19, the Company started offering virtual visits to patients and successfully converted approximately 12% of total patient visits to virtual visits in the quarter.

"Our employees and physicians showed a great deal of resilience in the second quarter; from redistributing patient services away from our three temporarily closed clinics to introducing virtual care for our patients," said Grant Connelly, CEO of NeuPath. "We started the year with one of our best months to date – January – and then experienced a decline in patient visits due to our efforts, as well as our patients' efforts, to comply with public health guidelines related to COVID-19. The fact that patient visits in June and July were higher than January levels demonstrates the strength of our business."

Impact of COVID-19 on Operations

COVID-19 impacted the Company's revenue in March and the start of the second quarter. A number of patients cancelled appointments, and 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. To minimize the impact on our patients and revenue, we were able to shift some patients, physicians and staff to other clinics in our network. In addition, we started to offer virtual visits to our patients and during the quarter, we successfully converted 12% of total patient visits to virtual visits. In response to increased patient demand at the end of April, we made the decision to reopen the three closed clinics and we saw improved business performance and patient visits in May and June.

(1) Non-International Financial Reporting Standard ("IRFS") financial measure defined by the Company below.

Second Quarter 2020 Financial Results

Total medical service revenue was $11.2 million for the three months ended June 30, 2020 compared to $13.0 million for the three months ended June 30, 2019. The decrease in revenue was related to the impact of COVID-19. For the six months ended June 30, 2020, total medical service revenue was $22.8 million compared to $23.9 million for the six months ended June 30, 2019.

Total operating expenses decreased to $12.0 million for the three months ended June 30, 2020 compared to $13.6 million for the three months ended June 30, 2019. The decrease was related to the cost of medical services that decreased to $8.8 million or 78.7% of medical services revenue compared to $10.4 million or 79.7% of medical services revenue in the comparative period and a decrease in general and administrative ("G&A") expenses to $1.5 million for the three months ended June 30, 2020 compared to $1.9 million for the three months ended June 30, 2019. The decrease in both the cost of medical services and G&A expenses was related to $0.5 million received from the CEWS program. For the six months ended June 30, 2020, total operating expenses were $24.2 million compared to $25.3 million for the six months ended June 30, 2019.

Adjusted EBITDA increased to $600,000 for the three months ended June 30, 2020 compared to $421,000 for the three months ended June 30, 2019. The increase was related to the $0.5 million received from the CEWS program, offset by a decrease in revenue related to COVID-19. For the six months ended June 30, 2020, adjusted EBITDA was $1.1 million compared to $0.8 million for the six months ended June 30, 2019.

Change in Auditor

The Company changed its auditors from MNP LLP ("Former Auditor") to EY LLP ("Successor Auditor") effective August 13, 2020. At the request of the Company, the Former Auditor resigned as the auditor of the Company effective August 13, 2020 and the board of directors of the Company appointed the Successor Auditor as the Company's auditor effective August 13, 2020, until the next Annual General Meeting of the Company. There were no reservations in the Former Auditor's audit reports for any financial period during which the Former Auditor was the Company's auditor. There are no "reportable events" (as the term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")) between the Company and the Former Auditor.

In accordance with NI 51-102, the notice of change of auditor, together with the required letters from the Former Auditor and the Successor Auditor, have been reviewed by the board of directors of the Company and filed on SEDAR.

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 EBTIDA (earnings before interest, taxes, depreciation and amortization) is a common measure used to assess profitability before the impact of different financing methods, income taxes, depreciation and impairment of capital assets and amortization of intangible assets.

The Company defines adjusted EBITDA as earnings before depreciation and amortization, net interest expense (income) and income tax expense (recovery), stock-based compensation expense, transaction costs related to the Qualifying Transaction, restructuring, fair value adjustments, impairment and finance income.

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

	Three Months ended June 30,		Six Months ended June 30,	
($ in thousands)	**2020**	2019	**2020**	2019
Net loss and comprehensive loss	**(3,351)**	(817)	**(4,181)**	(1,960)
Add back:				
Depreciation and amortization	**628**	594	**1,260**	1,230
Net interest expense	**690**	463	**1,136**	932
Income tax expense	**107**	164	**207**	292
EBITDA	**(1,926)**	404	**(1,578)**	494
Add back:				
Stock-based compensation	**38**	-	**63**	-
Fair value adjustments	**242**	31	**405**	308
Listing expense and transaction costs	**2,258**	-	**2,258**	-
Finance income	**(12)**	(14)	**(24)**	(28)
Adjusted EBITDA	**600**	421	**1,124**	774

About NeuPath

NeuPath is Canada's largest provider of chronic pain management services that operates under two leading brands in Ontario: CPM - Centres for Pain Management and InMedic Creative Medicine. NeuPath has 12 locations across Ontario with more than 100 staff members that provide care to over 11,000 patients annually. NeuPath offers a comprehensive chronic pain assessment and multi-modal treatment plan based on recommendations by a group of trained physicians to help patients manage their chronic pain and optimize their quality of life. In addition to chronic pain management clinics, NeuPath offers workplace health services as the single, largest cost of chronic pain is lost productivity due to job loss and sick days.

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 impact of the COVID-19 pandemic on the Company's operations and measures implemented in response to the COVID-19 pandemic 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. A comprehensive discussion of these and other risks and uncertainties can be found in the Company's filing statement dated May 29, 2020 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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