

NEUPATH HEALTH REPORTS FIRST QUARTER 2025 RESULTS

- Record total revenue of \$19.3 million, up 11% year-over-year
- Positive cash flows, with Adjusted EBITDA⁽¹⁾ of \$1.3 million, up 49% year-over-year, and our 25th consecutive quarter of positive Adjusted EBITDA
- Secured new credit facilities to drive growth and to refinance existing debt
- On May 1, Stephen Lemieux assumed the role of President to lead the implementation of NeuPath's strategic initiatives

TORONTO, ONTARIO, May 15, 2025 – 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 March 31, 2025 and the grant of stock options ("Options") and restricted share units ("RSUs"). All figures are in Canadian dollars, unless otherwise noted.

"Strong organic growth in Alberta and Ontario, combined with careful attention to our operations and our clinic footprint, continues to deliver improved operating results," said Joe Walewicz, NeuPath's Chief Executive Officer. "We expect continued growth and improved results in 2025, as we continue to evaluate multiple inorganic growth opportunities to better serve patients, with more services, in more communities."

Financial and Operational Highlights

- Total revenue was \$19.3 million for the three months ended March 31, 2025 compared to \$17.5 million for the three months ended March 31, 2024, up 11% compared to the first quarter of 2024, delivering record first quarter revenues;
- Adjusted EBITDA was \$1.3 million for the three months ended March 31, 2025 compared to \$0.9 million for the three months March 31, 2024, up 49% year-over-year;
- For the three months ended March 31, 2025, capacity utilization improved to 75%, up from 72% in the first quarter of 2024;
- On March 26, 2025, the Company secured new credit facilities from the National Bank of Canada providing an aggregate of up to \$13.5 million in loans, comprised of a (i) \$4.0 million revolving credit facility, (ii) \$3.0 million non-revolving delayed draw term loan facility, and (iii) \$6.5 million non-revolving term loan facility;
- As at March 31, 2025, the Company had \$4.4 million in cash and cash equivalents and interest-bearing long-term debt of \$6.5 million;
- On May 1, 2025, Stephen Lemieux assumed the newly created role of President to lead the implementation of NeuPath's strategy to accelerate inorganic and organic growth and optimize operating margins; and
- The Company anticipates the receipt of a potentially material one-time positive payment in Q2 of 2025 relating to prior period physician reimbursements.

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

Q1 2025 Financial Results

Total Revenue

Total revenue is comprised of clinic revenue and non-clinic revenue. Total revenue was \$19.3 million for the three months ended March 31, 2025 compared to \$17.5 million for the three months ended March 31, 2024.

Clinic Revenue

Clinic revenue is generated through the provision of medical services to patients. Clinic revenue was \$18.0 million for the three months ended March 31, 2025 compared to \$16.2 million for the three months ended March 31, 2024. The increase in clinic revenue for the three months ended March 31, 2025 was primarily due to stronger revenues from fluoroscopy and positive adjustments to physician reimbursement rates. Capacity utilization was 75% for the

three months ended March 31, 2025 compared to 72% for the three months ended March 31, 2024. The improvement in capacity utilization was primarily driven by continued optimization of clinic space.

Non-clinic Revenue

Non-clinic revenue was \$1.3 million for the three months ended March 31, 2025 and 2024. Non-clinic revenue is earned from physician staffing allocation services where the Company provides physicians for provincial and federal correctional institutions 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.

Gross margin % was 18.8% for the three months ended March 31, 2025 compared to 18.5% for the three months ended March 31, 2024. The increase in gross margin was primarily driven by higher revenues from fluoroscopy and positive adjustments to physician reimbursement rates compared to the comparative quarter (see *Non-IFRS Financial Measures - Gross Margin and Gross Margin %*).

Adjusted EBITDA was \$1.3 million for the three months ended March 31, 2025 compared to \$0.9 million for the three months March 31, 2024.

Liquidity and Capital Resources

As at March 31, 2025, the Company's net debt was \$2.1 million, compared to \$3.5 million as at March 31, 2024. The Company's net debt as at March 31, 2025 consisted of \$4.4 million of cash and cash equivalents and long-term debt of \$6.5 million compared to \$2.6 million of cash and cash equivalents and long-term debt of \$6.0 million as at March 31, 2024.

For more information see Note 5, *Long-Term Debt* in the Company's Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2025, and Note 6, *Long-Term Debt* in the Company's Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2024.

Issuance of Stock Options and Restricted Share Units

The Company has approved the grant of 375,000 Options to an officer of the Company, to be issued on May 21, 2025, at an exercise price equal to the closing price on the last trading day immediately preceding the grant date, and with an expiry date of May 21, 2032. The terms of the Options granted are in accordance with the Company's Amended and Restated Stock Option Plan. The Options are subject to time-based vesting and will vest annually in equal instalments on each anniversary date from the date of grant for 4 years.

In addition, the Company approved the grant of 375,000 RSUs to the same officer of the Company, to be issued on May 21, 2025. The RSUs are subject to time-based vesting and will fully vest on May 21, 2029. One quarter of the RSUs granted will vest annually on each anniversary date from the date of grant for 4 years. The terms of the RSUs granted are in accordance with the Company's Amended and Restated Restricted Share Unit Plan.

Non-IFRS Financial and Other Measures

The Company discloses non-IFRS measures (such as EBITDA, Adjusted EBITDA, and gross margin) and non-IFRS ratios (such as gross margin %) 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, excluding stock-based compensation expense, executive long-term performance and retention bonus, restructuring costs, gain on derecognition of other obligations, fair value adjustments, transaction costs, impairment

charges, gain on sale of building, government loans forgiveness, finance income and loss or gain on sale of property, plant and equipment. Management believes EBITDA and Adjusted EBITDA are useful supplemental non-GAAP measures to determine the Company's ability to generate cash available for operations, working capital, capital expenditures, debt repayments, interest expense and income taxes.

The following table provides a reconciliation of net and comprehensive loss to EBITDA and Adjusted EBITDA:

	Three months ended March 31, 2025	Three months ended March 31, 2024
	\$	\$
Net and comprehensive loss	(327)	(344)
Add back:		
Depreciation and amortization	597	581
Interest cost	296	239
Income tax expense	133	57
EBITDA	699	533
Add back:		
Stock-based compensation	43	34
Transaction costs	353	284
Executive long-term performance and retention bonus	175	-
Adjusted EBITDA	1,270	851
Attributed to:		
Shareholders of NeuPath Health Inc.	1,133	797
Non-controlling interest	137	54
	1,270	851

Gross Margin and Gross Margin %

Management believes gross margin and 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 ("COMS"). Gross margin % is calculated as gross margin divided by total revenue.

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
	\$	\$
Clinic revenue	18,046	16,168
Non-clinic revenue	1,289	1,318
Total revenue	19,335	17,486
Cost of medical services	15,695	14,253
Gross margin⁽¹⁾	3,640	3,233
Gross margin %⁽¹⁾	18.8%	18.5%

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

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, 2025, which are available on the Company's website (www.neupath.com) and under the Company's profile on SEDAR+ (www.sedarplus.ca).

About NeuPath

NeuPath operates a network of healthcare clinics and related businesses focused on improved access to care and outcomes for patients by leveraging best-in-class treatments and delivering patient-centered multidisciplinary care.

We operate a network of medical clinics in Ontario and Alberta that provide comprehensive assessments and rehabilitation services to patients with chronic pain, musculoskeletal/back injuries, sports related injuries and concussions. In addition, NeuPath provides workplace health services and independent medical assessments to employers and disability insurers through a national network of healthcare providers, as well as contract research services to pharmaceutical and biotechnology companies. NeuPath is focused on enabling each individual to live their best life. For additional information, please visit www.neupath.com.

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 Company's expectation of continued operational improvements in 2025 and the execution of the Company's growth opportunities 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, 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 26, 2025 filed on SEDAR+ under the Company's profile at www.sedarplus.ca.

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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