



Pathway
Health

Pathway Health

Corporate Presentation

March 2022

www.pathwayhealth.ca



Who We Are

Pathway Health is an integrated healthcare company that provides a comprehensive approach to chronic pain management by providing advanced products and clinical services to patients suffering from chronic pain and related conditions. We are committed to delivering timely access to personalized care to help improve our patients' quality of life.



Investment Highlights



Leading partner with Canadian pharmacy companies for medical cannabis consultations, pharmacist education

- Signed agreements covering ~2,000 retail pharmacy locations nationally
- Cannabis Health Products (CHPs) development
 - CHPs market estimated >\$2 billion¹



One of the largest providers of chronic pain services in Canada

- > 80,000 patient visits in 2021²

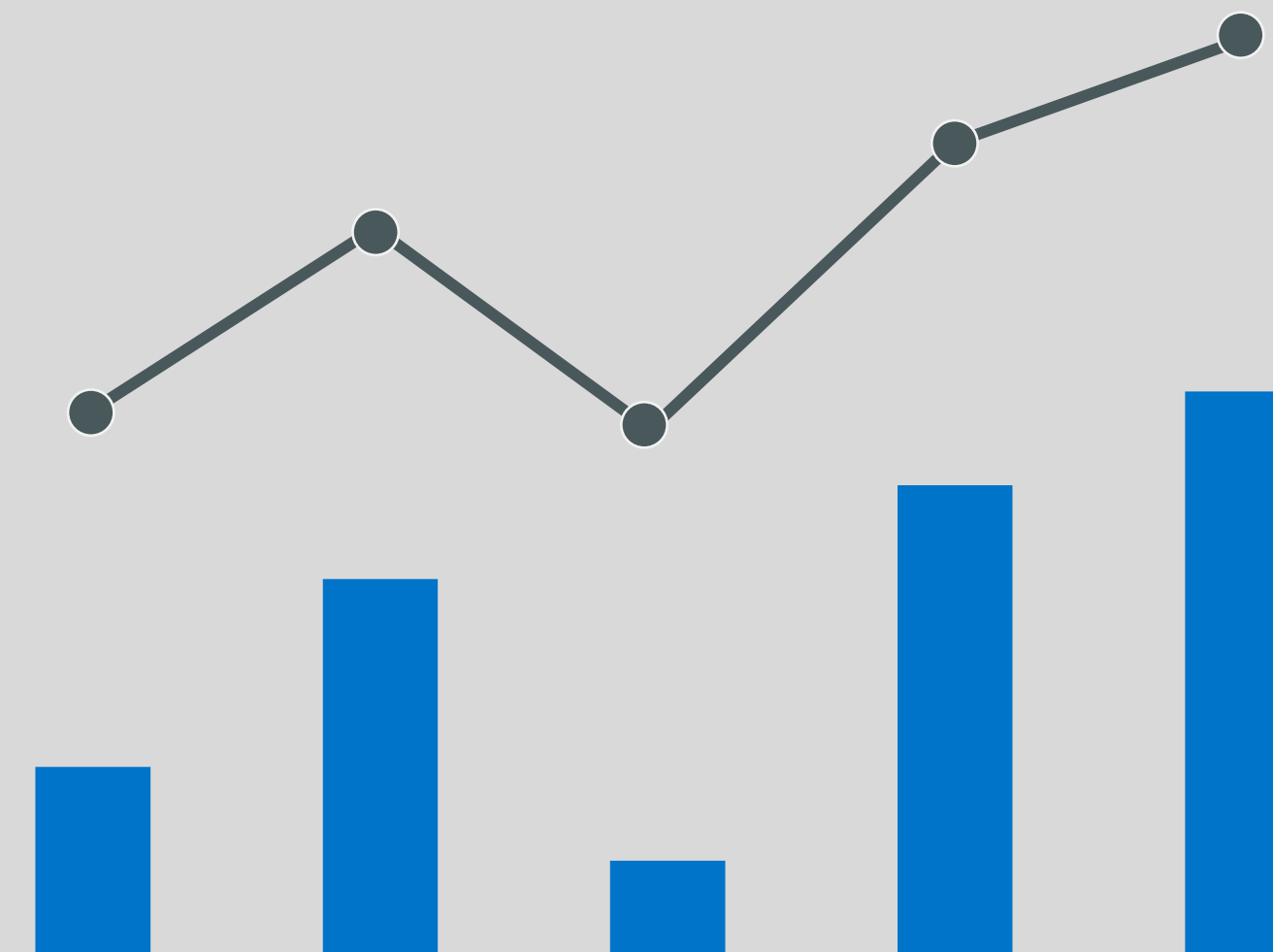


Largest medical cannabis telehealth network in Canada



3-year revenue growth - \$600k (2018) > \$12 million (2020)³

Investment



1. Estimated market size several years post regulatory approval. <https://chfa.ca/en/regulatory/CBD-Economic-Report>
 2. Annualized figure based on management's best estimate of patient visits if all acquisitions occurred on January 1, 2021.
 3. These are unaudited revenue figures that reflect management's best estimate of additional revenue that would have been earned had the acquisitions of NHS, NACM Clinic and Pharmacy business and NMI occurred January 1, 2020.

Our Business

SERVICES

Interdisciplinary chronic pain management

- Comprehensive list of pain services
 - Interventional
 - Adding allied health (physio, chiro, massage therapy)
- Expansion to include mental health

Medical Cannabis

- Largest provider of medical cannabis services in Canada
- Exclusively through telemedicine
- Partnering with all the top Licensed Holders
- Agreements with ~2K pharmacies



PRODUCTS

Home and Personal Healthcare Products

- Products supporting lifestyles of people with chronic pain
 - Orthotics, wheelchairs, prosthetics, mobility and home assist devices
- Sold through Slawner Ortho

Cannabis Health Products (CHPs)

- New consumer product market
- Potential size >\$2 billion¹
- Working with pharmacies to develop co-branded products
- **Distribution network for a multi billion-dollar product category**

Patients to be connected to products, services and more through Pathway Health app (under development)

1. Estimated market size several years post regulatory approval. <https://chfa.ca/en/regulatory/CBD-Economic-Report>

The Opportunity

Fragmented chronic pain industry

Opportunity to roll up industry - accretive acquisitions to **build on existing infrastructure**

Target-rich M&A environment

Pharmacy Partnerships

Patient assessments for medical cannabis; **Cannabis Health Products (CHPs)** development and distribution

Partnering Opportunities

Workers Comp, unions, insurance companies, family medical practices, allied health, mental health, Licensed Holders, First Nations, government, clinical trials

Cannabis 3.0 incl. CHPs

Focus on medical - including CHPs; Building CHP product category with pharmacy partners – **distribution network for a new, multi billion-dollar product category**



Chronic Pain - A Large and Growing Problem



¹ Schopflocher et al., 2011; Reitsma et al., 2011; Steingrimsdottir et al., 2017, Canadian Pain Task Force Report, June 2019

² <https://www.benefitscanada.com/benefits/health-benefits/chronic-pain-costs-employers-52439>

³ <http://www.canada.com/health/live+this+life+pain+Canadians+with+chronic+pain+struggling+find+help+hope/5485154/story.html>

Growth Through Acquisition

- Preliminary projections indicate as many as 8.3 million Canadians may live with chronic pain by 2025 and as many as **9.0 million by 2030** ¹
- By 2030, the estimated direct costs will rise to \$20.5 - \$23.4 billion and indirect costs to \$31.5 billion ¹

- Immediate opportunities
 - ~10 targets with combined >\$150 million revenue
 - Interventional pain management
- Other Allied Health (chiro, physio, massage) targets for acquisition or partnering
- Mental Health discussions ongoing
- Goal is to become the leading provider of pain management services in Canada

1. Canadian Pain Task Force Report: March 2021

Growth Through New Products - Cannabis 3.0

In mid-2019, the federal government launched a consultation to seek feedback on the introduction of a **new category of health products with cannabis**, referred to as **Cannabis Health Products (CHPs)**. If implemented, this regime would have the potential to **create a new market** for cannabis products in Canada.



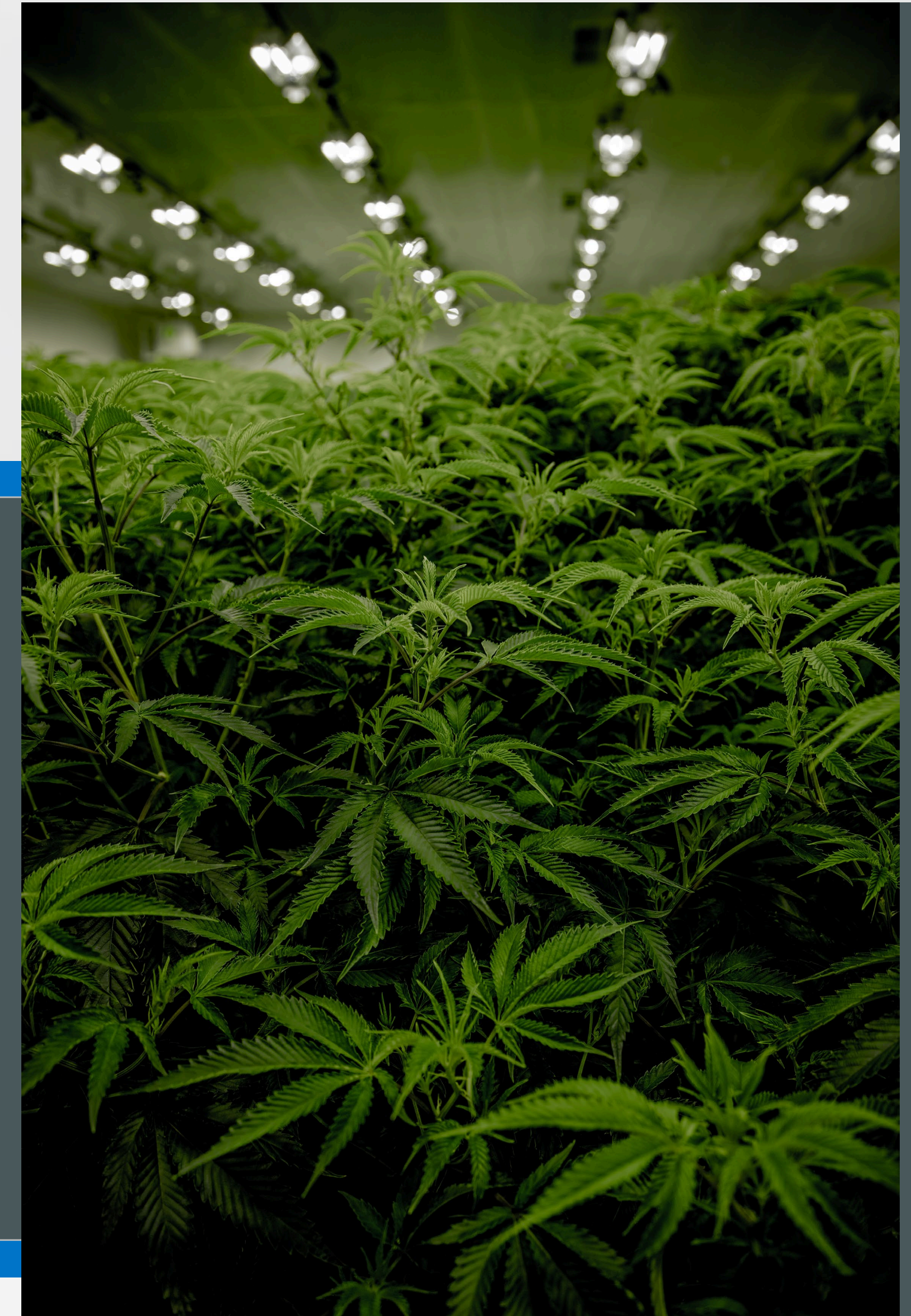
Cannabis 3.0 - Bringing the benefits of cannabis derivatives (e.g. CBD, CBG) into mainstream health products

- NPA's ¹ pitch to the CDN government – "(P)harmacists have an important role in providing clinical information to patients **at the point of sale.**" January 2021



Pharmacies have limited or no experience with this new consumer packaged goods category

- PHC is a credible partner for pharmacies – medical/scientific foundation, expertise in medical cannabis, strong ecosystem for product development, valued partner with Licensed Holders



Pharmacies - Important Access Points



People see pharmacists more regularly than their physicians

- Pharmacists see patients with chronic conditions up to 5-8 times more than primary care doctors for the treatment of chronic conditions ¹



People want to ask pharmacists about cannabis

- Canadians are strongly in favour of pharmacist dispensing of medical cannabis and recognize that it would improve patient safety and oversight ²



People trust pharmacists' guidance

92% of Canadians believe pharmacists play an essential or important role in Canada's health care system³



1. <https://www.skpharmacists.ca/document/4981/CPJ%20-%20Pharmacist%20Research.pdf>

2. <https://www.pharmacists.ca/advocacy/issues/medical-cannabis/>

3. <https://www.newswire.ca/news-releases/more-and-more-canadians-say-pharmacists-play-essential-role-in-canadas-health-care-system-615464974.html>

Pharmacy Agreements



Agreements with pharmacy partners representing ~2,000 locations

Two key initiatives:

- Education of pharmacists in cannabis
- Access to medical cannabis clinical expertise for their patients



Access to medical cannabis product expertise:

- 43,600 licensed pharmacists working in more than 11,400 pharmacies¹

CHP product development in discussion

SAFeway

RxPharmaChoice

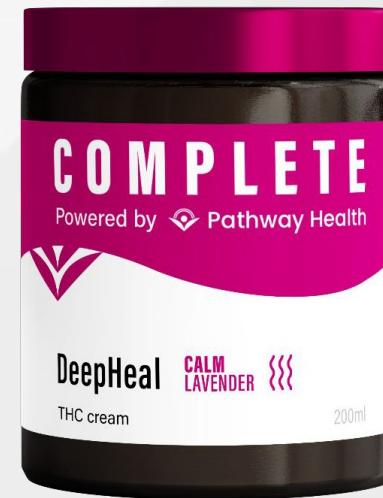
LOVELL DRUGS
OVER 100 YEARS
WWW.LOVELLDUGS.COM

Sobeys

metro

Lawtons DRUGS

1. <https://napra.ca/national-statistics>



Forecast legal changes to CBD market worth >\$2 billion¹

Profit margins can be higher than the average for other consumer goods such as alcohol, beer, wine, soft drinks and cigarettes²

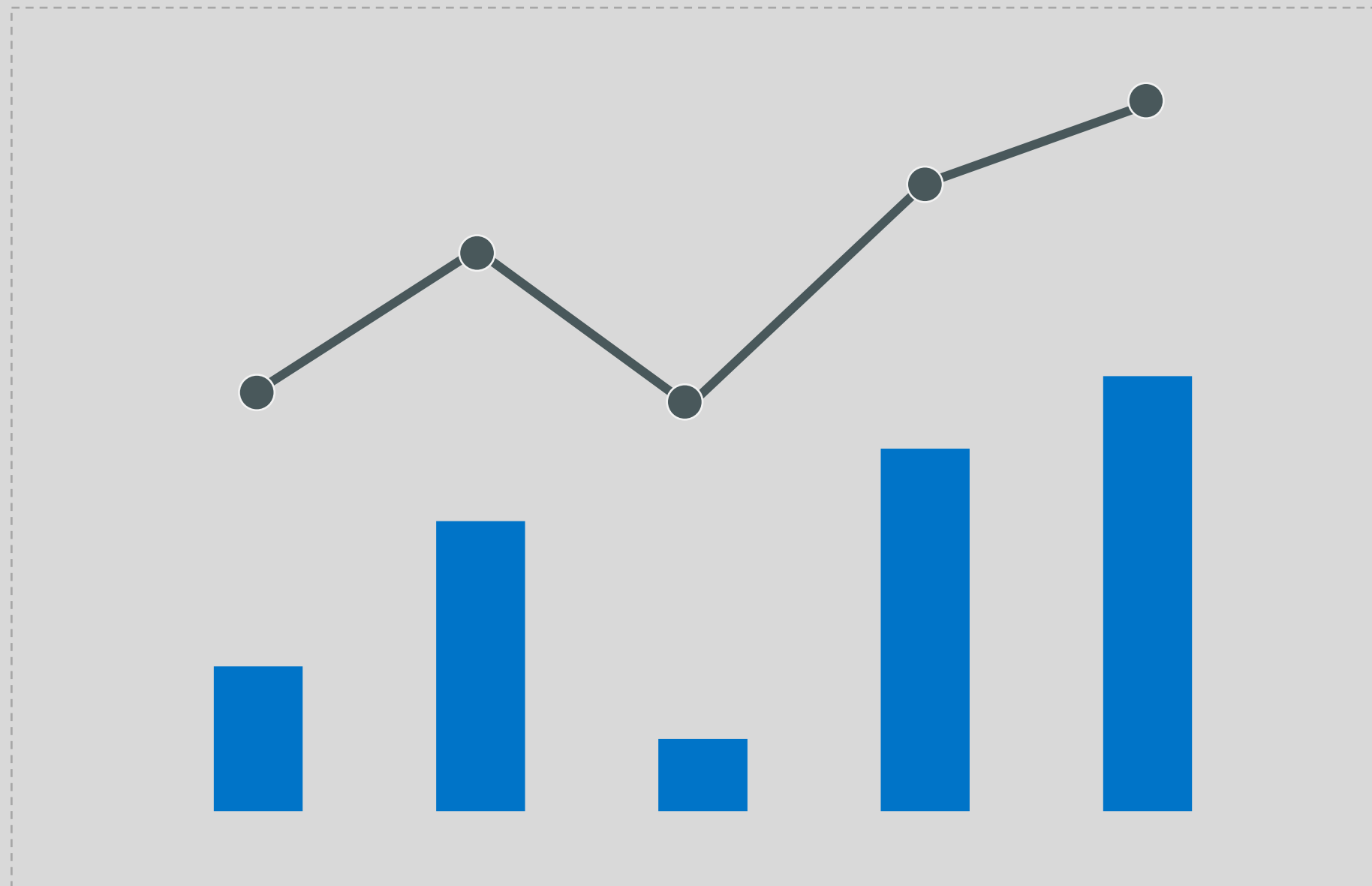


Bringing CHPs to Pharmacies

1. Estimated market size several years post regulatory approval. <https://chfa.ca/en/regulatory/CBD-Economic-Report>
2. <https://mjbizdaily.com/chart-week-profit-margins-infused-products-can-sky-high/>

Growth Drivers

Growth Drivers



Acquisition of clinics and patients including interventional and allied health



Regional market **expansion of clinics** in Canada

- Expand **new clinical services** to existing clinics including mental health



Sign additional pharmacy agreements for new **patient consultations**, education, **CHPs**



U.S. and international opportunities for new revenue streams

Financial Overview

Revenue (\$million) ¹

	9 months	12 months
	2021	2020
Provincial Revenue	\$ 4.1	\$ 5.9
Cannabis Revenue	2.5	3.9
Product Sales	1.9	2.2
Non-Insured Billings	<u>0.3</u>	<u>0.5</u>
	\$ 8.8	\$ 12.5

Patient Visits ³

	2021	2020	Diff.	%
Cannabis	51,657	47,527	4,130	9%
Silver Pain	14,667	14,073	594	4%
Slawner Ortho	11,957	10,776	1,181	11%
NMI	<u>3,226</u>	<u>1,139</u>	<u>2,087</u>	<u>183%</u>
	81,507	73,515	7,992	11%



Provincial Billings 46.6%

- Physician billings
- ~20% gross margins ²



Cannabis Billings 28.4%

- Education and marketing revenue
- 100% gross margins



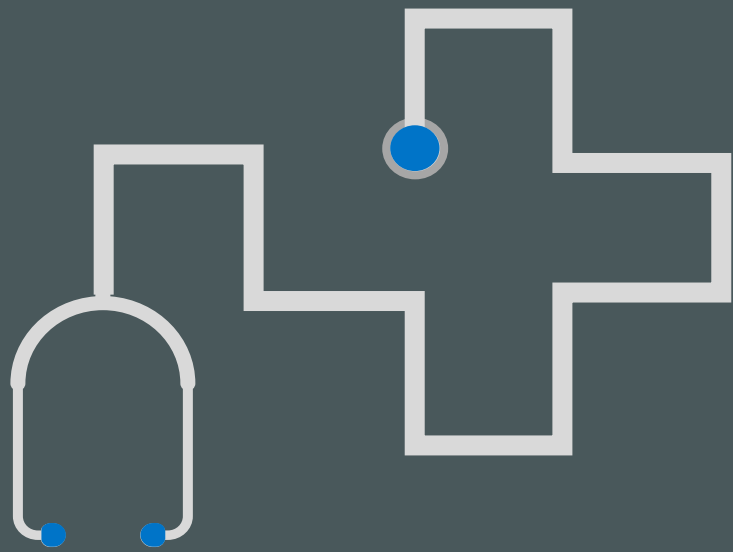
Product Sales 21.6%

- Quebec orthopaedic sales
- ~70% gross margins



Non-Insured Billing 3.4%

- Patient private pay
- ~70% gross margins



1. Unaudited revenue figures include management’s best estimate of adjusted revenue if all acquisitions occurred January 1st in each year and if the Manitoba joint venture revenues were consolidated.

2. Gross margins on Provincial Billings expected to increase as further integration of recent acquisitions occurs.

3. Patient figures include management’s best estimate if all acquisitions occurred January 1st in each year.

Comparable Companies

Clinic Based Healthcare Providers In CAD Millions except multiples										
	Market	Enterprise	Revenue		EBITDA		EV / Revenue		EV / EBITDA	
	Capitalization	Value	2021	2022	2021	2022	2021	2022	2021	2022
Akumin Inc	\$135	\$1,865	\$963	\$1,028	\$207	\$250	1.9x	1.8x	9.0x	7.5x
WELL Health Technologies Corp	\$980	\$1,389	\$488	\$524	\$100	\$115	2.8x	2.6x	13.9x	12.1x
Medical Facilities Corp	\$321	\$546	\$517	\$495	\$125	\$130	1.1x	1.1x	4.4x	4.2x
CloudMD Software & Services Inc	\$224	\$206	\$191	\$222	(\$2)	\$3	1.1x	0.9x	N/A	78.4x
Greenbrook TMS Inc	\$82	\$103	\$96	\$126	(\$4)	\$14	1.1x	0.8x	N/A	7.2x
Empower Clinics Inc	\$85	\$85	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MCI Onehealth Technologies Inc	\$71	\$77	\$62	\$71	\$1	\$7	1.2x	1.1x	97.0x	11.4x
Skylight Health Group Inc	\$50	\$62	\$48	\$59	(\$9)	(\$2)	1.3x	1.1x	N/A	N/A
NeuPath Health Inc ¹	\$25	\$26	\$60	N/A	\$3	N/A	0.4x	N/A	8.2x	N/A
Jack Nathan Medical Corp	\$15	\$13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average							1.4x	1.4x	26.5x	20.1x
Median							1.2x	1.1x	9.0x	9.4x
Pathway Health Corp ²	\$17	\$14	\$12	N/A	(\$4)	N/A	1.2x	N/A	N/A	N/A
Source: Refinitiv, February 10, 2022										

1. Estimated revenue and EBITDA figures based on annualizing the reported YTD Q3 2021 results.

2. Estimated revenue and EBITDA figures based on annualizing the reported YTD Q3 results and adjusting the figures to include management's best estimate of the results if all acquisitions occurred on January 1st and if the Manitoba joint venture revenues were consolidated.

Cap Structure

	Percentage	Shares
Investor Group	Ownership	Outstanding
Insiders	55.7%	52,171,818
Other shareholders	44.3%	41,550,267
GRAND TOTAL	100%	93,722,085



Summary



Leading partner with Canadian Pharmacies on Medical Cannabis

- Signed 6 agreements with some of the nation's largest retail pharmacies > becoming the leading partner for pain services and products for thousands of Canadian pharmacies
- In discussion with several national pharmacy companies on CHP development, branding and distribution in preparation for Cannabis 3.0



Largest out-of-hospital chronic pain clinic in Canada

- One of the leading and most comprehensive out-of-hospital pain management businesses in Canada
- 6 acquisitions since January 2019
- Revenue has grown from \$600K to >\$12 million in 3 years¹
- Developing a unique IT platform allowing the company to scale pharmacy initiative, improve patient engagement and expand its telemedicine services



Proven management

- Expertise and experience in healthcare, cannabis, M&A, capital markets

1. These are unaudited revenue figures. The revenue figures include management's best estimate of additional revenue in relation to the acquisition of NHS, NACM Clinic and Pharmacy business and NMI as if it happened January 1, 2020.



Contact Information

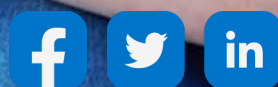
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Appendix



Ontario College of Pharmacists

"As medication therapy experts, **pharmacists are in a unique position to provide quality and effective patient care for those who consume cannabis.** This may take place through educating patients about the consumption of cannabis ... and through **collaboration with other health care professionals** to enhance patient safety.

(T)he Ontario College of Pharmacists would not oppose any federal or provincial legislation that would **permit the dispensing of non-smoked forms of cannabis for medical use within pharmacies...**"

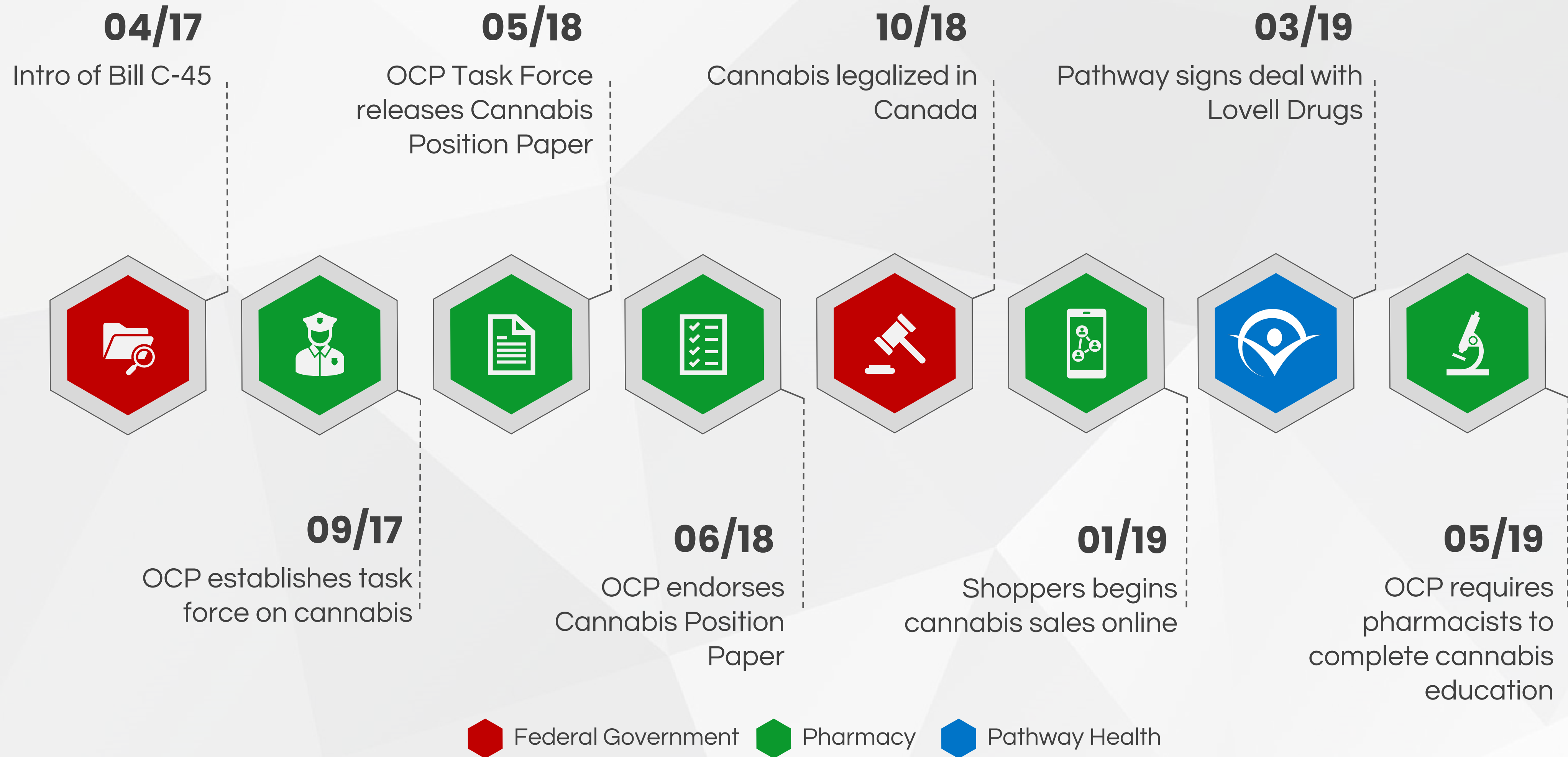


**Ontario College
of Pharmacists**

Putting patients first since 1871

August 2016

Evolution of Pharmacy & Cannabis (04/17 - 05/19)



Evolution of Pharmacy & Cannabis (05/19 - present)

05/19

Public consultation
on potential market
for CHPs



10/19

Cannabis
2.0 released



10/20

Pathway signs deal
with Sobeys



06/21

Pathway signs deal
with PharmaChoice



2022 est.

Cannabis 3.0
released



Pathway Health has
been working
alongside the
pharmacy industry for
~3 years preparing for
Cannabis 3.0

08/19

Pathway's Cannabis
& Patient Care for
Pharmacists course
given accreditation



06/20

First brick & mortar
cannabis pharmacy
opens in Ottawa



01/21

NPA Medical Cannabis
Position Statement
released



12/21

Pathway signs deal
with Metro



Federal Government



Pharmacy



Pathway Health