

PATHWAY ANNOUNCES INCREASE TO SHORT TERM BRIDGE LOAN

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TORONTO, June 26, 2023 /CNW/ - Pathway Health Corp. (TSXV: PHC) ("**Pathway**" or the "**Company**") is pleased to announce that Avonlea-Drewry Holdings Inc. ("**ADH**"), the Company's largest indirect shareholder and secured creditor, has agreed to advance the Company a further \$200,000 pursuant to a secured promissory grid note (the "**Loan**") previously announced on April 25, 2023. The additional proceeds will assist Pathway with working capital requirements prior to closing of the proposed business acquisition, recapitalization and debt restructuring transaction involving Pathway, HEAL Global Holdings Corp. and The Newly Institute Inc. (see press releases dated December 22, 2022, March 1, 2023 and March 31, 2023) (the "**Proposed Transaction**"). Pursuant to the terms and conditions of the promissory note issued by Pathway in respect of the loan (the "**Note**"), the Company has received \$1.0 million in aggregate (the "**Principal Amount**") and received an additional \$200,000 today.

The Note is secured by the same security granted to ADH under the credit facility between the Company and ADH (see press release dated July 29, 2022). The Note will mature on July 21, 2023 (the "**Maturity Date**").

The Principal Amount outstanding under the Note from time to time will bear interest at a rate of 15% per annum and it is intended to be repaid from the proceeds of \$10.0 million financing that is to be conducted in connection with the Proposed Transaction and general working capital.

Ms. Alison Wright, a director of the Company, is a director, officer and shareholder of ADH (the "**Insider Position**"). As a result, the ADH is a "related party" of the Company and the issuance of the Note is considered to be "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), requiring the Company, in the absence of exemptions, to obtain a formal valuation of, and minority shareholder approval of, the related party transaction. Pursuant to MI 61-101, the Company is relying on an exemption from the formal valuation requirements as no securities of the Company are listed or quoted on certain specified exchanges, and on an exemption from the minority shareholder approval requirements as the fair market value of the Note does not exceed \$2.5 million, as determined in accordance with MI 61-101. Neither the Company nor, to the knowledge of the Company after reasonable inquiry, ADH, has knowledge of any material information concerning the issuer or its securities that has not been generally disclosed. The Company intends to file a material change report within the required timeframe relating to this related party transaction.

None of the securities sold in connection with the private placement will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this Press

Release. *The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*

Cautionary and Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as "appear", "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. More particularly and without limitation, this news release contains forward-looking statements and information concerning the Note, the use of proceeds of the Note, the Proposed Transaction and the Company's future financing or transactional or operational activities. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable in the circumstances, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to the Company being unable to use the proceeds of the Note as described, legal or regulatory impediments regarding the Note, accrued and unpaid interest thereon, the Proposed Transaction not completing as proposed or at all, the Company defaulting on the Note leading to, among other things, enforcement under the security, increased accrued interest and ADH extending the maturity date of the Note (and increased accrued interest in respect thereof) or availing itself of other available remedies, the proceeds being insufficient for the Company's purposes, the Company's inability to repay the Note on the Maturity Date or at all and the Company being unable to raise additional funds on terms acceptable to the Company or at all necessary to repay the Note. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law or the TSX Venture Exchange.

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For further information: Pathway Health Corp., Robin Cook, Corporate Development, Telephone: 416-809-1738, Email: robin.cook@pathwayhealth.ca

CO: Pathway Health Corp.

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