



MCI Onehealth Enters into Definitive Agreement for the Strategic Acquisition of Polyclinic

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TORONTO, July 15, 2021 (GLOBE NEWSWIRE) -- MCI Onehealth Technologies Inc. ("MCI" or the "Company") (TSX: DRDR) has entered into a series of share purchase agreements to acquire (the "Transaction") an 80% interest in Canadian Phase Onward Inc., North York Pulmonary Function Center Inc., The Quit Clinic Inc. and Executive Medical Concierge Canada Ltd. (collectively, "Polyclinic") through its subsidiary MCI Polyclinic Group Inc. ("MCI Polyclinic").

Investor highlights

- The Transaction is expected to be immediately accretive to MCI's EBITDA.
- Dr. Lew Pliamm, the founder of Polyclinic, will continue to be actively involved with MCI Polyclinic going forward.
- The strategic acquisition will give MCI the opportunity to provide its clients with a full range of medical services under one roof, both virtually and in-person.
- MCI Polyclinic is expected to generate annualized gross revenue in excess of \$ 5.0 million and annualized adjusted EBITDA in excess of \$1.0 million.

MCI Polyclinic will consist of 4 different types of medical facilities

- **Canadian Phase Onward** – a clinical research organization with seasoned expertise in clinical studies, trial recruitment and management.
- **North York Pulmonary Function Center** – an exemplary innovative partnership that enables efficient on-site community access to pulmonary diagnostic services that are normally hospital-based.
- **The Quit Clinic** o/a Polyclinic Family and Specialty Medicine Facility – primary care, specialist, and diagnostic clinics, with annual patient volumes exceeding 100,000 patient visits per year.
- **Executive Medical Concierge Canada** – an executive healthcare practice with a growing client list, that can be leveraged by MCI's client base and 400+ corporate clients.

An integrated care model that will enhance access, quality and efficiency

- The MCI Polyclinic facility will offer patients the convenience of having integrated services under one roof, including access to more than 50 primary care physicians and specialists, labs, and clinical trials.
- Integrated patient record and referral systems will allow diverse care providers to operate as an efficient team, with the patient at the center, with greater quality control, information sharing and responsiveness.
- The internal patient referral system created by this Transaction will help capture the needs of patients who would otherwise struggle to find timely, specialized care.

A strategic addition to MCI's growing ecosystem

The Transaction is expected to add a flagship facility to MCI's growing health services ecosystem which already includes a virtual care platform, primary and urgent care clinics in Ontario and Alberta, specialist services, a corporate health division and a technology-enabled network of wholly-owned and affiliated medical and diagnostic services. The Transaction will also expand MCI's footprint in Ontario and will give patients access to a greater scope of medical services in one location, while building on its continuity of care between virtual and in-person visits with the same physician.

"MCI Polyclinic will be the centralized physical example of the personalized health care model we've strategically built across the MCI ecosystem both digitally and physically. It will serve as our flagship for the type of care that patients want and deserve – the highest quality, the most convenient and

efficient, with the greatest access to services, ongoing attention to their individual diagnoses and treatments and more-readily available access to in-house advanced clinical treatment and research opportunities” said Dr. Alexander Dobranowski, CEO of MCI.

“We’re thrilled for our patients that, in MCI, we have found a like-minded partner with the financial resources, care-network assets, leadership and vision to scale the Polyclinic model,” said Dr. Lew Pliamm, founder of Polyclinic. “MCI has enhanced its model of care with their recent strategic and value-add partnerships that will lead to more personalized medicine options for our patients.”

MCI believes that Polyclinic’s integrated care model will enhance access, quality and efficiency of health services to the Company’s and Polyclinic’s patients through the convenience of integrated virtual and in-person care, integrated patient record and referral systems, as well as improved quality control and responsiveness. “With integrated systems and data-driven tools we plan to unlock meaningful insights from consistent and high-quality structured clinical information. These insights will enable MCI’s technology, research, and precision medicine roadmap, designed to provide a data-driven, deeply personalized patient profile, accurate and faster diagnosis and expanded treatment options,” said Saleema Khimji, MCI’s Chief Innovation Officer.

MCI will maintain its focus on advancing medicine, so it is truly preventative and, most importantly and most central to the MCI vision, truly personalized in order to improve patient outcomes and save lives. “This model of care provides personalized medicine for patients today, and personalized intelligence for their future care. And with MCI Polyclinic, we plan to leverage MCI’s growing personalized care ecosystem to continue improving an innovative model for our patients,” said Dr. Dobranowski.

Terms of acquisition

Pursuant to the terms of the Transaction, MCI and the vendors have agreed that MCI will acquire all of the issued and outstanding shares of Canadian Phase Onward Inc., North York Pulmonary Function Center Inc., The Quit Clinic Inc. and Executive Medical Concierge Canada Ltd. for consideration consisting of: (i) cash consideration in the amount of C\$ 5,416,000; (ii) the issuance of C\$ 384,000 in Class A Subordinate Voting Shares in the capital of MCI (“MCI Shares”), at a deemed price per MCI Share to be determined based on the volume weighted average market price at the time of closing; and (iii) a 20% ownership in interest in MCI Polyclinic. Closing is expected to occur on or about July 30, 2021.

No securities regulatory authority has either approved or disapproved of the contents of this press release. Completion of the Transaction is subject to the receipt of customary approvals, including, but not limited to, the approval of the Toronto Stock Exchange.

About MCI

MCI is a healthcare technology company focused on empowering patients and doctors with advanced technologies to increase access, improve quality, and reduce healthcare costs. As part of the healthcare community for over 30 years, MCI operates one of Canada’s leading primary care networks with 25 clinics, serves over 850,000 patients annually and had over 200,000 telehealth visits last year. MCI additionally offers an expanding suite of occupational health service offerings that support a growing list of over 400 corporate customers. Led by a proven management team of doctors and experienced executives, MCI remains focused on executing a strategy centered around acquiring technology and health services that complement MCI’s current roadmap. For more information, visit mcionehealth.com.

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Forward-Looking Statements

This press release contains forward-looking information and forward-looking statements (together, “forward-looking statements”) within the meaning of applicable securities legislation, which reflect MCI’s current expectations regarding future events, including statements relating to: the Transaction; MCI’s business plan and strategic focus; MCI Polyclinic; patient care; MCI’s health services ecosystem; the benefits of the Transaction and MCI’s partnerships; personalized medicine; Polyclinic’s integrated care model; the benefits of clinical information; MCI’s technology, research and precision medicine roadmap; and closing of the Transaction. In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of words or phrases such as “believe”, “continue”, “expect”, “grow”, “plan” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” occur. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Company anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. Forward-looking statements are based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond MCI’s control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements. Such risks and uncertainties include that: the Transaction may not be completed in the timelines anticipated, in the manner anticipated or at all; the Transaction may not have the results currently anticipated by the Company; the Company may be unable to integrate Polyclinic’s business with its own in the timelines anticipated, in the manner anticipated or at all; increased costs and expenses; reliance on industry partners; technologies and services not functioning as expected; third parties not using technologies and services as expected; economic conditions making technologies and services less attractive than anticipated, competitors in the Company’s industry; the possibility of a breakdown in the relationship between Polyclinic and the Company, and other factors discussed under “Risk Factors” in the Company’s annual information form for the year ended December 31, 2020 which is available under the Company’s profile on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements. All forward-looking statements made in this press release are made as of the date hereof and MCI does not undertake any obligation to update such forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.