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July 19, 2021

To the Shareholders of Premier Diversified Holdings Inc. ("Premier", "PDH" or the "Company"):

This letter, which I write annually to you, will provide an update of what has happened at the Company in the past year. I did not write a letter last year, as I was not certain we would survive the pandemic with all of the challenges we faced.

Here is what we were confronted with:

- Towards the end of 2019, the largest shareholder in ZED Therapeutics decided they were not happy with the way current management was running the company and threatened to call a shareholder vote...they subsequently took control.
- MyCare MedTech Inc. (of which we hold about 30%) lost the funding previously provided by ZED.
- The Covid-19 pandemic hit in early 2020.
- The pandemic forced the suspension of construction/sales at the Arcola townhouse development, which Kingswood Asset Management is managing.
- Purposely Platform Inc. (of which PDH owns 51%) lost the market of non-profit organizations it targeted with its volunteer management platform and had to cut expenses as most fundraising events held by non-profits were suspended or cancelled.

Operations

Opportunity often comes disguised in the form of misfortune, or temporary defeat.

- Napoleon Hill

In March of 2020, as the fear around the pandemic peaked, PDH was facing a working capital crisis. I scrambled to find funds to keep the company afloat. I made dozens of inquiries to friends, potential investors, funds, private equity companies and the like to find capital to keep PDH going and the businesses that still relied on PDH funding...at that point it was pretty much all of them except Kingswood!

Everyone I contacted was equally fearful, facing similar issues of uncertainty and could not assist us. Only one person was able to help, who offered me capital with no strings attached or repayment requirement...someone I will always hold dear to my heart as a friend. I accepted the capital and promised to pay it back myself, even though this patron said repayment was not necessary. That capital was what helped PDH and its businesses survive through March of 2020.

At that point, the PDH board had to make some critical decisions and we needed to decide how we were going to move forward and help our businesses, not only survive, but thrive after the pandemic. It meant significant challenging decisions, including the sale of Initio and a long-term commitment by my investment fund, MPIC Fund I, LP, to provide secured funding for PDH and indirectly its operating businesses.

While MPIC Fund I, LP has committed to funding PDH, we assure you that it should not be considered limitless or without a commensurate expectation of return. The fund has investors that I am responsible to and now indirectly PDH is responsible to, as well as our existing PDH shareholders.

Premier operates in a decentralized fashion, where we have vice-presidents or general managers in place, and we do not micromanage at the subsidiary or associate level. These vice-presidents and managers report to me, but I do not tell them how to spend their day or how to build their business. They are generally as passionate about what they do, as I am about what I do. As such, staffing at Premier's corporate office is kept to a minimum, with only three full-time employees including myself!

Initio Medical Group Inc. ("Initio")

During the end of 2019, the nine clinical trials which Initio was running were coming to an end, and no new trials were available for participation by Initio due to its aging scanner. Past attempts at a government partnership had been unsuccessful, in our view due to lack of political will. Without volume scans and clinical trials, the Initio board had to make the tough decision to sell the clinic, as we had neither the funding for a new machine, nor wanted to continue an expensive monthly lease of the clinic space.

While functional, Initio's PET CT machine was old, and we had difficulty ensuring warranty or parts availability. The lease for the clinic space was expiring and under the current scan volumes, we could not justify a further extension. Initio was sold for \$200,000 in early 2020.

I would like to thank Dr. Simon Sutcliffe for his incredible leadership and support of Initio, and former directors Marta Davidson and Alnesh Mohan for their hard work. I would also like to thank Dr. Raj Attariwala, Dr. Rob Tarzwell, Gene Saldana, Collin Alvarado, Sunny Bang and Geoff Waters for their years of work and support. We wish we could have continued running the clinic, but unfortunately the economics and environment were not favourable.

Kingswood Asset Management ("Kingswood")

We invested in two real estate projects with Kingswood back in 2015 and 2016...Bentley and Arcola respectively. Here are the comments on Kingswood:

- Bentley was sold to developers in early 2018, and we received \$497,073 on a \$375,000 investment.
- Arcola began presales in October of 2018 selling 12 of 22 units at a higher per square foot rate than the most optimistic projections...then a slowdown hit in January of 2019.
- We expected Arcola to continue selling units slowly, but little happened until the pandemic.
- Like many, we imagined the pandemic would be detrimental to real estate sales, but it had the complete opposite effect due to staff working remotely, low interest rates and stimulus padding consumer balance sheets.
- Arcola had sold all units by April of 2021 and is expected to pay out 90% of investments and gains at the beginning of August following the B.C. statutory holiday, and the remaining 10% after all accounting is completed at the end of August.
- While our annualized return is lower than what was expected, the cumulative return is only slightly lower than projections as the higher per square foot sales were offset by higher construction and material costs.
- Currently, we anticipate that half of the payment by Arcola will be used as working capital by PDH and the other half will be used to pay back part of PDH's debt to MPIC Fund I, LP.

ZED Therapeutics ("ZED")

Towards the end of 2019, ZED had new management and a new controlling shareholder. The new management determined it would no longer fund MyCare, which had a joint agreement to develop CBD clinics in exchange for shared revenue from the clinics and continued funding of MyCare's telemedicine business, goevisit.com.

Early this year, ZED held its annual shareholder meeting. It was disclosed that ZED had three interested parties and one made an offer. The offer ZED received was for \$10M, but after months of back and forth, the potential

buyer adjusted the initial payment to \$8.5M and \$1.5M in subsequent payouts...thus management declined the offer. At \$10M, PDH would have received roughly \$1.13M on a \$26K investment. While that would be substantial, we think it significantly undervalues ZED's genetics.

Our understanding is that the current ZED management is developing the company through partnerships in the U.S. and Europe, which we hope will increase the value, especially if as expected, the Biden administration reduces barriers to hemp, CBD, and cannabis production. We have made gestures to ZED to work with them and assist in partnerships...a win for ZED is a win for PDH! Please visit their website at www.zedtherapeutics.com.

MyCare Inc. / goevisit.com

In March 2020, MyCare was in a precarious financial position as funding ended. While MyCare's main line of business was telemedicine, and that industry was thriving during the pandemic, MyCare's model was flailing. Unlike other telemedicine businesses that rely on direct patient use and as a replacement for clinical care, MyCare was never designed as a primary care portal. It was always meant to be used as a portal to replace clinic and emergency room visits for minor acute ailments.

MyCare's primary route to increase users was through institutional contracts with extended health benefit companies. MyCare's biggest contract was with a large broker, an arm of a national broker that has over a million members. The lead broker was to onboard his clients, and then sell directly to other brokers at the national company. When the pandemic hit, for every member that MyCare onboarded, approximately two members exited their extended health plans as businesses shut down or looked to cut costs, and employees were laid off or fired. While other telemedicine models thrived during the pandemic, MyCare's began to starve.

MyCare then had two substantial problems: lack of external funding, and their biggest source of members was slowing leading to lowered revenues. MyCare entertained three offers from various investors to provide capital to MyCare or move the company into a shell during the second half of 2020; however none of these offers solidified into a binding proposal.

A significant concern for PDH was that MyCare's partner, BrightMD, provided the queuing programming for MyCare's platform, which MyCare licensed. It did not actually own that portion of the programming. In other words, MyCare owned the chassis, but not the engine. Two hard decisions were made:

- PDH had to commit to helping MyCare with working capital.
- MyCare's model had to pivot to survive the pandemic and thrive long-term.

Liz Bryant and Jim Viccars, the principals of MyCare, quickly began to form new alliances and partnerships, while finding innovative ways to increase membership and revenue sources. MyCare spent the better part of late 2020 and early 2021 building its own engine. MyCare now owns all of the proprietary programming built into its platform.

Through late 2020 and into 2021, MyCare has:

- Established services in Quebec...so now it can address up to 450 acute ailments in all provinces.
- Developed seven specialty virtual clinics...Dermatology; Chronic Pain Management; Weight Loss; Anxiety/Depression; Cognitive Degeneration; Physiotherapy; and Travel.
- Opened two clinics dispensing Covid-19 tests and travel vaccines in partnership with Travel Canada.
- Formed co-branding partnerships with local and national partners.
- Formed partnerships with CBD extract oil producers and formulators to develop retail products.
- Partnered with dermatologists in all provinces across Canada.

MyCare is now in the process of raising outside capital to further Canadian partnerships and begin U.S. expansion. Once that capital is raised, we anticipate that MyCare will pay back its outstanding loan to PDH. Please see

MyCare's slide deck on PDH's website where we have our Annual Letters and Shareholder Presentations: <https://pdh-inc.com/annual-general-meeting> .

Purposely Platform Inc. ("Purposely")

Purposely was originally designed to be a volunteer and event management tool created for non-profits and other organizations. One of the biggest problems that non-profits face is volunteer management, such as coordinating and informing volunteers, updating volunteer lists, procuring volunteers for events, and integrating volunteer lists and information into administrative software.

Surprisingly, there are only a handful of solutions to this problem, and Purposely heard feedback from non-profits that the existing platforms were expensive, hard to use or rarely updated. So began the creation of Purposely, after extensive discussions with non-profits, their leaders, volunteer coordinators, volunteers, and non-profit focus groups.

Purposely's CEO, Eric Franzo, ran with the project from development to launch. He proceeded efficiently, was relentless in making it better, and coordinated everything from the original business plan; hiring a team; creation of the digital platform; testing; focus groups; the beta platform and finally the launch.

While Purposely is built for non-profits, it was built with the aim of being profitable over time through subscriptions, fees from donation procurement, postings, and a number of other future revenue generation streams. Purposely also expects to return some profits back to the community.

When the pandemic hit, many non-profits had to cut costs, reduce or eliminate events, and were struggling to stay afloat. The industry was struggling!

Eric knew he had to pivot and with the help of Rian Gauvreau, co-founder and director of Clio (www.clio.com), they developed corporate social responsibility (CSR) platforms that could be integrated into corporate sites. Purposely pivoted to focus on small to mid-size companies with 50-1000+ employees and offer a two-tier (base and enterprise) subscription model. The interest was robust, even during the pandemic. Here are some of the goals achieved in 2021 and heading into 2022:

- Beta-platform clients will become full-paying subscribers beginning in July.
- Purposely has a backlog of customers being onboarded.
- Purposely anticipates closing a \$500K capital raise at a \$4M valuation which will give it working capital for approximately 18 months.
- Rian is a director and advisor of Purposely, and will soon be a shareholder.
- Purposely plans to offer another equity financing round in 2022 at a higher valuation.
- We have not provided any funding to Purposely since late 2020, as Eric did an exceptional job at finding government credits and grants for start-up companies.

We anticipate that a small portion of Purposely's current capital raise will be used to repay part of the original capital loaned by PDH to get it started. If Purposely has revenues at projected levels and is able to complete a financing in 2022, we expect full repayment of the remaining amount of the loan from PDH. Please see Purposely's slide deck on PDH's website where we have our Annual Letters and Shareholder Presentations: <https://pdh-inc.com/annual-general-meeting>.

The Future of Premier

While March of 2020 was perhaps the bleakest time of PDH's existence, we somehow managed to come out of it whole.

For long-suffering shareholders, what does the future hold? These are forward looking statements that do not guarantee success but should be construed as what my vision looks like for Premier.

In my opinion, we have been on the right side of business history, even though not all our ventures were successful, and a couple were extremely painful:

- We saw the value of diagnostic clinics and the need for them, yet these businesses had a hard time succeeding where government interference can destroy operations and intrinsic value.
- We made a successful investment and exit through Russell Breweries and the craft brewery business.
- We were well ahead of the curve, maybe too far ahead, when it came to insurance-linked securities (ILS market), and Sequant Re became a very painful failure.
- We saw the value of telemedicine years before the pandemic, and now we are evolving virtual care, health and wellness through MyCare's portal, goevisit.com.
- We jumped at the opportunity to participate in the hemp and CBD industry through ZED Therapeutics, which we imagine will be a successful investment based on our total investment and the value of the genetics.
- We understood and saw the value in investing in Purposely and its founder, a talented, young mind that had a desire to reshape and help non-profit organizations and reinforce corporate culture.
- Finally, with PDH stabilized now and our businesses starting to thrive, the reverse split we are conducting will provide us the currency we require to seek out other partners and businesses for PDH and save us money in terms of filing and regulatory costs.

In my view, a business' long-term stock price ultimately follows the changes in intrinsic value, which I believe is simply the amount of cash that can be taken out of a business during its lifetime, discounted back to the present day at a single point-in-time. As the business changes and grows during its lifetime, the intrinsic value will also change. I believe that in the short-term, stock price will move on market sentiment, but over the long-term it will be based on changes in intrinsic value per share.

When I first became involved with the Company in 2014, Premier was essentially a bankrupt, cash-starved operation. Initio was essentially worth only the accounting value of its PET/CT equipment and furniture...minus liabilities!

For the first few years, Premier became healthy with little in liabilities, and without giving any specific valuation, Initio's intrinsic value exceeded the accounting value of its continuing assets. Then we had a few bad years, including the pandemic, where we had to restructure certain operations.

Today, our balance sheet looks like it has taken massive hits, but in my view, it undervalues the long-term prospects and value of our operating businesses. Undoubtedly, it will take time to prove this.

In Premier's case, as we focus on increasing our profitability, we anticipate that those earnings or cash will be retained in shareholder equity over time. The changes in Premier's shareholder equity per share will give you a simple benchmark for how things are improving or declining at the Company over time. For the first few years, shareholder equity was increasing and intrinsic value followed suit, then for the last few years, we've faced numerous challenges and intrinsic value decreased dramatically. We think the pendulum is slowly shifting back the other way.

Annual and Special General Meeting

The formal Premier Annual and Special General Meeting was held virtually on Wednesday, June 30th, 2021 via videoconference. All resolutions were passed and PDH will issue a news release with the results alongside this letter.

Some of you historically have enjoyed telephone calls addressing questions with my predecessor and subsequently myself. For the last three years, I have tried to refrain from these calls unless they directly pertain to a specific shareholder issue. I am more than happy to address questions in the annual letter, as the answers and discussion are available to all shareholders. However, as we are a listed company, I cannot provide any information to shareholders which is not publicly available in our disclosure filings.

We welcome your questions that I can address in the annual letter, or in periodic news releases as appropriate, and you can send them to me via email at sparsad@pdh-inc.com. Shareholder related issues should be addressed to my assistant at nchin@pdh-inc.com.

Our Thanks

I would like to thank our Board of Directors and employees for their enormous efforts! I would also like to thank our many service providers, suppliers and partners who work with us.

I cannot begin to explain how we feel about the fiduciary responsibility we have been entrusted with. I have an enormous vested interest in Premier's long-term future. For most of you, the capital invested in Premier is due to a lifetime of effort, and all the challenges that you faced to get here. As such, our interests are in alignment and I will *never* take that responsibility lightly!

We thank you for your trust, friendship and confidence. We wish you and your families well!

Sincerely,

"Sanjeev Parsad"

Sanjeev Parsad
President & CEO