

Pyramid

Healthcare, Inc.

A stylized pyramid logo is centered in the lower half of the page. It consists of a white triangle with a gold outline, set against a blue background. The pyramid is flanked by horizontal lines that extend to the left and right edges of the page, creating a sense of depth and perspective.

ANNUAL REPORT 2015-2016

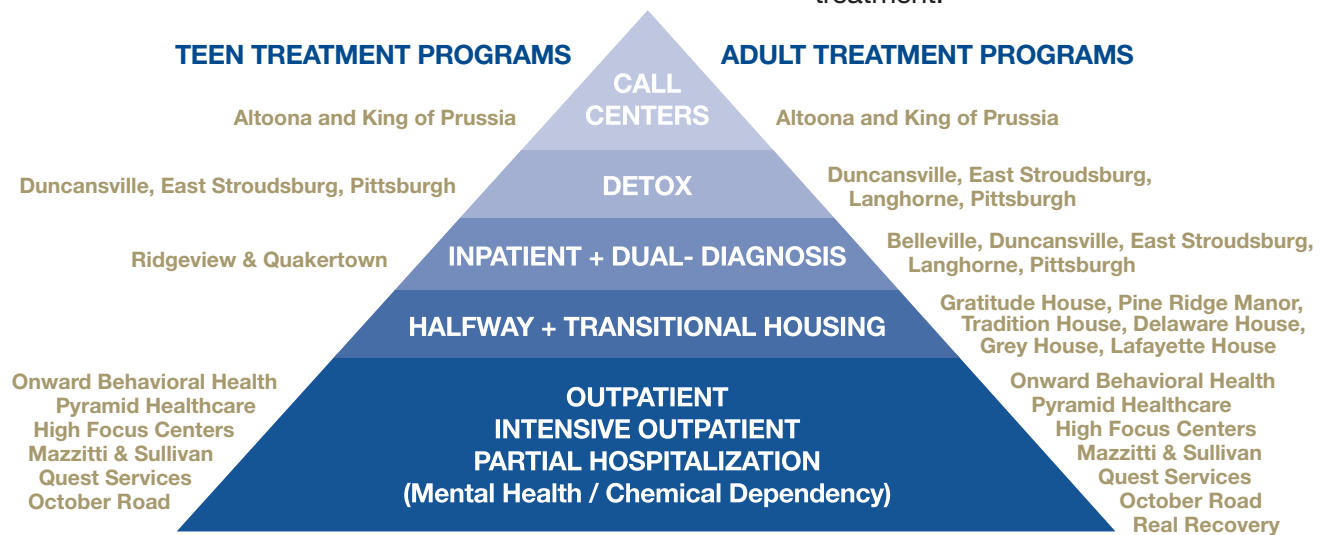
The Pyramid Healthcare Vertically Integrated System of Care

Treatment success is more readily achieved when clients receive immediate access to services and long term engagement in treatment delivered at the most appropriate level. To increase engagement, it is important to be able to deliver this care as close to home as possible, at convenient times and treatment formats. It is also important,

as the client progresses through multiple levels of care, that treatment is integrated and flows easily and consistently between each level of care.

Our objective is to provide a vertically integrated, coordinated system of care that provides each of these components that will ultimately result in more effective treatment.

VERTICALLY INTEGRATED SYSTEM OF CARE



Pyramid Achieves National Accreditation with CARF

On August 12, 2015, CARF International announced that Pyramid Healthcare and its drug and alcohol rehabilitation programs had received a three-year accreditation.

Previously accredited by JCAHO, this was the first accreditation awarded to Pyramid Healthcare by CARF.

The accreditation decision represented the highest level of accreditation that can be awarded to an organization, and showed our substantial conformance to the CARF standards. Pyramid Healthcare staff worked together to demonstrate to CARF our commitment to offering programs and services that are measurable, accountable, and of the highest quality by participating in a rigorous review process.



CARF, which stands for the Commission on Accreditation of Rehabilitation Facilities, is an independent, nonprofit accrediting body whose mission is to promote the quality, value, and optimal outcome of behavioral healthcare services. By meeting CARF standards, Pyramid's clients, families and customers can be assured that Pyramid meets or exceeds national standards of quality and service delivery.

Pyramid Healthcare will continue to work with CARF throughout the three-year accreditation period to measure and improve the performance and quality at each of our facilities.



Pyramid Healthcare Strengthens Service Capability in Central PA

Mazzitti & Sullivan has provided outpatient behavioral health services and employee assistance programs (EAPs) in central Pennsylvania for over 30 years. They have a long-standing reputation for high quality outpatient behavioral health treatment. Mazzitti & Sullivan also provides EAP services to more than 200 employers at 400 work sites across the United States.

Pyramid Healthcare acquired all five Mazzitti & Sullivan locations including Harrisburg, Hershey, Lancaster, Mechanicsburg, and Middletown in April, 2016. These locations now act as part of the Pyramid Healthcare system of care by providing additional services and increasing treatment accessibility for those in the region.



“The great reputation that Mazzitti and Sullivan deserves and have worked so hard for over many years makes us proud to have them as part of the growing Pyramid team,” said Jonathan Wolf, CEO of Pyramid Healthcare. “Their concentration of services in central PA further enhances our desire to make treatment more accessible by offering a complete continuum of assessment and treatment services across PA. Their extensive network of EAP services further completes our ability to provide a complete package of services specifically to employers throughout the Commonwealth and beyond.”

MAZZITTI & SULLIVAN
EAP

Quest Services, Inc. Acquisition Expands Treatment Network in Centre County

Quest is a central Pennsylvania-based provider of behavioral healthcare services. With two locations in Bellefonte and Philipsburg, Quest has a 15-year reputation of providing high-quality care in Centre County. Pyramid Healthcare acquired Quest in May, 2016.

In addition to outpatient and intensive outpatient drug and alcohol services for adults in group, individual, and family settings, Quest offers individual and family sessions for adolescents suffering with substance use. Both locations provide assessment and referral services for adults and teens.



The acquisition of Quest is consistent with the Pyramid Healthcare mission of developing an extensive network with affordable, high-quality care. Remaining responsive to demands for treatment in underserved areas has been a key to Pyramid Healthcare’s mission, growth and success.

Along with the existing Pyramid Healthcare outpatient treatment location in State College, and in conjunction with the newly-acquired Mazzitti & Sullivan locations, the Quest locations in Bellefonte and Philipsburg will provide a comprehensive network of behavioral healthcare resources and services for central Pennsylvania residents.



Pyramid Healthcare Expands Integrated Care Options in North Carolina

In March 2016, Pyramid Healthcare welcomed Real Recovery of Asheville into its network of treatment providers.

Real Recovery joined October Road in Pyramid Healthcare's growing footprint in the North Carolina market, and added to the already vast continuum of behavioral healthcare services offered by Pyramid Healthcare.

Real Recovery is a structured, adventure-based sober living program for young adult men ages 18-28.

Real Recovery's unique approach helps young adult men individualize their paths to recovery. Each client is provided with a comprehensive array of services outside those traditionally offered by halfway houses or sober living programs. This level of care is new to the Pyramid Healthcare system, and provides yet another important component in the complete continuum of services offered by Pyramid.

Clients at Real Recovery transition from a highly structured path, which includes

intensive outpatient care and weekly individual therapy, to a more autonomous path in the Transition House as they gain momentum throughout the program and prepare to move into an independent life of recovery.

Clients at Real Recovery typically receive services at one of the four on-site houses: the Dream House, the River House, the Pinnacle House, or the Transition House. The houses each offer varying degrees of support and structure to meet each client's needs as they move toward recovery.

In addition to the peer support driven model employed at Real Recovery, clients at Real also receive appropriate clinical services, vocational support services, educational support services, life skills training, and money management support, along with multiple outdoor adventures each week.

Real Recovery looks to expand across the southeast and beyond in 2016!



Silver Ridge Set to Open in December 2016

Pyramid Healthcare continues to develop its Silver Line of premium, out-of-network addiction treatment programs. Silver Ridge, located in western North Carolina, will open in December 2016.

Located in Mills River, a small community nestled in the Blue Ridge Mountains and just minutes from the Asheville Regional Airport, this facility will provide a serene treatment setting for up to 15 clients, who will reside on an 11-acre estate.

Silver Ridge will specialize in treating midlife to older adults, a quick-growing

demographic whose needs are not being sufficiently met by the behavioral healthcare industry today.

Silver Ridge seeks to differentiate itself in the marketplace with not only a luxurious treatment environment but also world-class clinical services. Its clinical team will include individuals with extensive experience in residential addiction treatment to deliver a trauma-informed, dual-diagnosis, and midlife-specific addiction program unique to the United States.



Pyramid Responds to Growing National Drug Abuse Epidemic with Residential Facility Expansions

The annual number of deaths from overdose in the United States has now eclipsed the number of deaths from auto accidents and firearms. In Pennsylvania, we are in the midst of a heroin epidemic that resulted in almost 2,500 fatalities this past year.

Increased availability and purity of heroin and mis-use of prescription drugs have caused the demand. At the same time, more people have enrolled in medical assistance and insurance through national health insurance and Medicaid expansion programs and thus have greater resources for treatment.

In response to the appeal by the public and state government for increased



access and availability of treatment services, Pyramid Healthcare, either by renovation or new construction, has increased the number of residential drug and alcohol treatment beds. Additional capacity was developed at residential sites in Duncansville, Langhorne, Pittsburgh, and Hillside in East Stroudsburg.

The expansion will continue this year at each site. Construction of a 40 bed unit is currently underway at our program in Duncansville. While our Langhorne program grows by 8 beds, a 12 bed addition is progressing at Hillside in East Stroudsburg and another 15 beds will be added to our Pittsburgh facility.

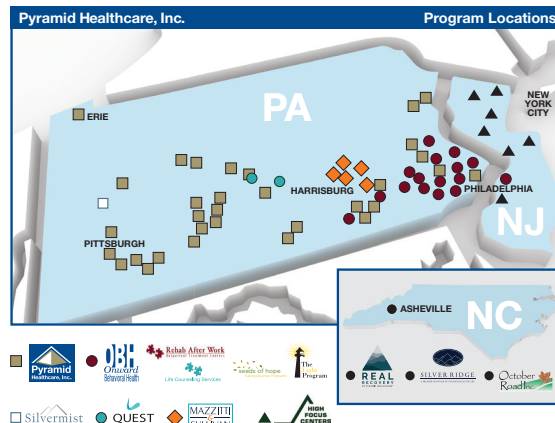
Pyramid Sees Continued Outpatient Service Growth in Pennsylvania, New Jersey and North Carolina

This was another busy year for outpatient services growth across the Pyramid Healthcare family of programs.

Over the past year we opened new offices in Bethlehem, PA (OBH), Bartonsville, PA (Pyramid) and Lawrenceville, NJ (High Focus). In addition to these new offices, we expanded our Altoona, Erie and York Outpatient offices and Methadone clinics in Altoona, Butler and York, PA.

In addition to these new offices and program expansions we also acquired three companies that provide high quality outpatient services across Pennsylvania and North Carolina. Real Recovery Outpatient Services, Quest Counseling Services and Mazzitti & Sullivan Counseling Services add a total of eight outpatient locations

to our existing footprint of more than 37 outpatient offices across Pennsylvania, New Jersey and North Carolina.



Growth will continue into the upcoming year as plans to develop new programs in Pennsylvania, New Jersey and North Carolina in late 2016/early 2017 are underway.

The expansion of our outpatient services allow us to improve access to services for those in need of substance abuse and mental health counseling. We have also expanded services to

include additional programs such as Medication Assisted Treatment options and Eating Disorder Therapy Programs. The tremendous growth in 2015/2016 allows us to meet the needs of over 5000 clients daily in our combined outpatient programs.

Pyramid Healthcare, Inc.



Directors

Jonathan Wolf
James Andersen
Calvin Neider
Matthew Blevins
James Donnelly

Officers

Jonathan Wolf, *President*
James Andersen,
Vice President
John Garfield, *Treasurer*
Matthew Blevins, *Secretary*
Erin Bard, *Assistant Secretary*

Corporate Offices

270 Lakemont Park Blvd.
Altoona, PA 16602

1605 N. Cedar Crest Blvd.
Suite 602
Allentown, PA 18104

20397 Route 19
Two Landmark North, Suite 128
Cranberry Township, PA 16066

Adult/Teen Detoxification

1894 Plank Road
Duncansville, PA 16635

420 Supreme Court Drive
East Stroudsburg, PA 18302

1990 Woodbourne Road
Langhorne, PA 19047

306 Penn Avenue
Pittsburgh, PA 15221

Teen Inpatient and School Programs

4447 Gibsonia Road
Gibsonia, PA 15044

2705 N. Old Bethlehem Pike
Quakertown, PA 18951

Adult Inpatient

1894 Plank Road
Duncansville, PA 16635

3893 West Main Street
Belleville, PA 17004

420 Supreme Court Drive
East Stroudsburg, PA 18302

1990 Woodbourne Road
Langhorne, PA 19047

306 Penn Avenue
Pittsburgh, PA 15221

Halfway Houses

Gratitude House for Men
901 6th Avenue
Altoona, PA 16602

**Tradition House for
Women**
830 6th Avenue
Altoona, PA 16602

Pine Ridge Manor for Men
13505 S. Eagle Valley Road
Tyrone, PA 16686

Housing Services
Lafayette House for Men
1907 Hanover St., Apt. 10
Pittsburgh, PA 15218

**Delaware House for
Women**
1937 Delaware Ave., Apt. 103
Pittsburgh, PA 15218

Grey House for Men
831 6th Avenue
Altoona, PA 16602

Correctional Programs

Blair County
Hollidaysburg, PA 16648

**Medication Assisted
Therapy (MAT)**

Dolminis
2 Sellers Drive
Altoona, PA 16601

York Pharmacotherapy
104 Davies Drive
York, PA 17402



**Foundations
Medical Services**
Managed by Pyramid Healthcare, Inc.

Bantam Commons
Building #2, 124 Hollywood Dr.
Butler, PA 16001

Outpatient Services
1605 N. Cedar Crest Blvd.
Suite 602
Allentown, PA 18104

2 Sellers Drive
Altoona, PA 16601

Fountain Court
3180 Rt. 611, Suite 19
Bartonsville, PA 18321

210 W. High Street
Bellefonte, PA 16823

1230 Veteran's Highway
Suite F-1
Bristol, PA 19007

455 Phoenix Drive
Chambersburg, PA 17201

2409 State Street
1st Floor, Suite C
Erie, PA 16503

1990 Woodbourne Rd.
Langhorne, PA 19047

1169 Philipsburg Bigler Hwy.
Philipsburg, PA 16866

2100 Wharton St., Suite 321
Pittsburgh, PA 15203

306 Penn Avenue
Pittsburgh, PA 15221

270 Walker Dr., #108A
State College, PA 16801

626 N. Grant Street
Waynesboro, PA 17268

18 S. George St., Suite 402
York, PA 17401

School Programs



550 Leonard Street
Clearfield, PA 16830

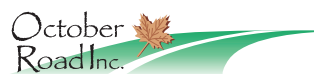
493 South Highland Street
DuBois, PA 15801

180 Regent Court, Suite 50
State College, PA 1680

4880 North Sherman St. Ext.
York, PA 17347



493 South Highland Street
DuBois, PA 15801



Corporate Office
119 Tunnel Road, Suite D
Asheville, NC 2880



47 Maple Street, Suite 401
Summit, NJ 07901



130 Critchlow School Road
Renfrew, PA 16053



Corporate Office
680 American Ave., Suite 302
King of Prussia, PA 19406



145 Powers Road
Asheville, NC 28804



MAZZITTI & SULLIVAN
EAP

Corporate Office
3207 North Front Street
Harrisburg, PA 17110



SILVER RIDGE
A PREMIER PROGRAM BY PYRAMID HEALTHCARE

183 Old Turnpike Road
Mills River, NC 28759