

Hydreight Announces Q2 2023 Financial Highlights

- *130% increase in total top-line non-GAAP Adjusted Revenue¹ of C\$4,416,103 for Q2 2023 over Q2 2022*
- *225% increase in total revenue of C\$2,699,668 for Q2 2023 over Q2 2022*

VANCOUVER, B.C. and LAS VEGAS, Aug. 29, 2023 — **Hydreight Technologies Inc.** (“**Hydreight**” or the “**Company**”) (**TSXV: NURS**)(**FSE: SO6**)(**OTCQB: HYDTF**), a fast-growing telehealth platform enabling flexible home healthcare, is pleased to announce the Company’s financial results for the three and six months ended June 30, 2023. The Company is pleased to report total top-line non-GAAP Adjusted Revenue¹ of C\$4,416,103 for Q2 2023, representing an increase of 130% compared to Q2 2022 Adjusted Revenue¹ of C\$1,922,339.

“We are pleased to announce our sustained growth in the second quarter of 2023,” said Shane Madden, CEO of Hydreight. “Our progress spans every facet of our operations. Concurrently, we’ve been focusing on fortifying our infrastructure and advancing our technology, including expanding our network of business partners, new platform built on the newest technology with enterprise-level software, direct booking features and a dispatch call centre. These enhancements to our business have empowered nurses and customers to access Hydreight’s services seamlessly and in full compliance. We are proud to say that Hydreight is a premium solution for mobile medicine.”

Hydreight is a telehealth platform that enables flexible home healthcare, bridging the gap between providers and patients when it comes to compliance and patient convenience. Our platform also empowers nurses, med spa technicians, and other licensed healthcare professionals to deliver services independently, on their own terms and with a flexible schedule, while also having the option to add mobile services to existing location-based operations. Through the app, individuals can schedule services with healthcare professionals to their home, office, hotel, or other places. Hydreight facilitates medical director oversight, liability insurance, competitively priced prescriptions via a 503B licensed pharmacy, and more. The platform is easy to use and includes a built-in suite of fully integrated tools for accounting, documentation, sales, inventory, booking, managing patient data, and more, which makes it possible to deliver mobile medicine across 50 US states.

Hydreight is Positioned for Growth: Through its app, Hydreight has created an infrastructure that enables nurses to provide services outside of a hospital and other brick-and-mortar facilities. Through Hydreight’s affiliated medical practices, nurses who are also existing app users will gain exclusive access to benefits that they typically would be unable to obtain independently in many jurisdictions throughout the United States (a qualified medical director and physicians who are licensed to practice medicine in every state, pharmacy procurement, and professional liability insurance). Nurses or other healthcare

providers can use the Hydreight platform to provide at-home offerings to patients.

The Company's performance for the second quarter of 2023 has seen a significant increase across all revenue streams compared to the same period in the prior year:

- Total top-line non-GAAP Adjusted Revenue¹ for Q2 2023 increased 130% over Q2 2022, reaching C\$4,416,103
- Total revenue of C\$2,699,668 for Q2 2023 increased 225% over Q2 2022
- Total top-line non-GAAP Adjusted Revenue¹ for the six months ended June 30, 2023 increased 148% over the six months ended June 30, 2022, reaching C\$8,083,524
- Total revenue of C\$5,048,084 for the six months ended June 30, 2023, increased 250% over the six months ended June 30, 2022

The Company believes the following Non-GAAP¹ financial measures provide meaningful insight to aid in the understanding of the Company's performance and may assist in the evaluation of the Company's business relative to that of its peers:

	Three months ended June 30,			Six months ended June 30,		
	2023	2022	% change	2023	2022	% change
Adjusted Revenue	\$ 4,416,103	\$ 1,922,339	130%	\$ 8,083,524	\$ 3,262,157	148%
Deduct – deferred business partner contract revenue	190,934	465,421		171,886	539,963	
Deduct – business partner payouts on app service gross revenue	1,525,501	626,849		2,863,554	1,278,391	
GAAP Revenue	\$ 2,699,668	\$ 830,069	225%	\$ 5,048,084	\$ 1,443,803	250%
Adjusted Gross Margin	\$ 1,270,762	\$ 884,797	44%	\$ 2,294,147	\$ 1,215,517	89%
Deduct – deferred business partner contract revenue	190,934	465,421		171,886	539,963	
Deduct – inventory impairment	-	-		-	-	
GAAP Gross Margin	\$ 1,079,828	\$ 419,376	157%	\$ 2,122,261	\$ 675,554	214%

Hydreight achieved revenue of C\$2,699,668 and C\$5,048,084 for the three and six months ended June 30, 2023, and recognized a net loss of C\$471,890 and C\$594,194 over the same periods. Included in total operating expenses of C\$2,614,934 over the first half of 2023 are

significant expenditures in professional, legal, and technical consulting fees invested to position the Company to compete with the largest companies, private and public, in the heavily regulated healthcare industry in the United States.

“The team continuously monitors both internal and external key indicators to ensure that we use data-driven decision-making. We have strategically expanded each division of the Company in proportion with its ability to drive revenue, putting additional focus on scaling those areas of the business that demonstrate the strongest performance,” added Madden. “At the same time, we are committed to remaining nimble and fine-tuning our strategy as needed, recognizing that our medical network structure has provided us with a unique level of flexibility in the market.”

The 503B landscape in 2021 experienced some significant legislative changes regarding patient-specific prescriptions for some medications that were previously available without a prescription. Hydright, through its medical network structure and nationally approved telemedicine features within the platform, was uniquely positioned to fill this gap in the market.

Subsequent to the period ended March 31, 2023, the Company adjusted the subscription revenue calculation, due to cut off differences between the first and second quarters, resulting in an adjustment of C\$283,401 to the first quarter revenue and a corresponding decrease in gross margin of C\$230,160 for the same time period.

Please see [SEDAR+](#) for the Company’s condensed consolidated interim financial statements and MD&A for the quarter ended June 30, 2023, and audited annual consolidated financial statements for the year ended December 31, 2022.

About Hydright Technologies Inc.

Hydright Technologies Inc. (TSXV: NURS)(OTCQB: HYDTF)(FSE: SO6) is a home healthcare and wellness platform that bridges the gap between providers and patients and empowers nurses, med spa technicians, and other licensed healthcare professionals to deliver services on a flexible schedule or to add mobile services to existing location-based operations. Hydright facilitates medical director oversight, liability insurance, competitively priced prescriptions via a 503B licensed pharmacy, and more. The platform includes a built-in, easy-to-use suite of fully integrated tools for accounting, documentation, sales, inventory, booking, managing patient data, and more, making it possible to deliver mobile medicine across 50 states. Learn more at Hydright.com.

You can download the Hydright Wellness App from the Apple App store and prospective service providers can sign up at: Hydright.com/start-a-business/.

On behalf of the Board of Directors

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Use of Non-GAAP Financial Measures:

This release contains references to non-GAAP financial measures Adjusted Revenue and Adjusted Gross Margin. The Company defines Adjusted Revenue as gross cash income before adjustment for the deferred portion of business partner contract revenue and gross receipts from Hydreight App service sales. The Company defines Adjusted Gross Margin as GAAP gross margin plus inventory impairment plus the deferred portion of business partner contract revenue. The Company believes that the measures provide information useful to its shareholders and investors in understanding the Company's operating cash flow growth, user growth, and cash generating potential and may assist in the evaluation of the Company's business relative to that of its peers more accurately than GAAP financial measures alone. This data is furnished to provide additional information and does not have any standardized meaning prescribed by GAAP. Accordingly, it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of other metrics presented in accordance with GAAP.

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Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute "forward-looking information" within

the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding expectations for the Company’s growth in 2023.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflects the Company’s management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to obtain requisite regulatory and other approvals with respect to the business operated by the Company and/or the potential impact of the listing of the Company’s shares on the TSXV on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time as a result of being a publicly listed entity. This forward-looking information may be affected by risks and uncertainties in the business of the Company and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

¹See Use of Non-GAAP Financial Measures