

Hydreight Reports Record Revenue in Q3 2023

- Q3 2023 record topline¹ revenue of \$3.97 million, YTD topline¹ revenue of \$12.06 million.
- Q3 2023 GAAP revenue was \$3.09 million, an increase of 172% compared to Q3 2022. YTD GAAP revenue was \$8.14 million, an increase of 216% compared to Q3 2022.
- Eighth consecutive quarter of meaningful revenue growth.
- Onboarded 318 nurses on its platform in Q3 2023. YTD, the Company onboarded 595 nurses on the platform. Currently there are approximately 2,600 nurses on the platform.
- Expanded service offering to 650 cities across 50 states in the United States.
- Named one of Canada's Companies to Watch as part of the 2023 Deloitte Technology Fast 50™ program.
- Strategic priorities include scaling the business and driving organic growth on platform, adding to product and service offering, increasing sales of white label solution, and strategic tuck-in acquisitions.
- Investor webinar: Wednesday, November 22, 2023 at 9:15am PT/ 12:15pm ET: https://us06web.zoom.us/webinar/register/WN_luaulPeDRPORRvvY2aHe-A

VANCOUVER, British Columbia and LAS VEGAS, Nov. 20, 2023 — Hydreight Technologies Inc. (“Hydreight” or the “Company”) (TSXV: NURS)(OTCQB: HYDTF)(FSE: SO6), a fast-growing mobile clinical network and medical platform which enables flexible at-home medical services across 50 states in the United States, is pleased to announce its financial results for the third quarter ended September 30, 2023. All financial information is presented in Canadian dollars unless otherwise indicated.

Shane Madden, CEO of Hydreight commented, “Q3 2023 was an excellent quarter for Hydreight and our financial results reflect the continued organic growth across all our divisions and diverse revenue mix. Q3 was the 8th consecutive quarter of meaningful revenue growth, and we expect a strong finish to 2023 and momentum to continue into 2024. Our focus in the first half of the year was developing and advancing our proprietary technology platform, adding features including direct booking, telemedicine and a dispatch center, and adhering to the state-by-state healthcare regulations to ensure compliance. These advancements in turn, create a fully automated, fully-integrated, turnkey solution which enables nurses to deliver services outside of traditional brick-and-mortar healthcare facilities. We have created one of the only healthcare technology platforms that works across 50 states and over 650 cities in the United States. Because of that, Hydreight has a significant competitive advantage in the sector.”

He continued, “In the last two years, we’ve experienced significant growth. Looking ahead,

our focus includes expanding services for our customers, growing our network of nurses and users, driving white label partnerships, increasing margins on our pharmacy division, and looking at strategic tuck-in M&A opportunities to scale the business quickly and efficiently. Recent legislative changes in the healthcare market, particularly in the 503B landscape, have affected patient-specific prescriptions for previously over-the-counter medications. The technology and legal investments we made in the beginning of the year, have uniquely positioned Hydreight to fill this gap and enable healthcare practitioners, and healthcare businesses to operate legally under our platform. This remains a key competitive advantage, establishing us as industry leaders with a proprietary platform poised for continued growth. I am proud of our team's ability to execute our growth strategy, adapt swiftly to evolving industry legislation, and deliver meaningful results."

Third Quarter 2023 Key Highlights and Subsequent Events

- Q3 2023 topline revenues¹ were \$3.97 million, GAAP revenues were \$3.09 million. Year-to-Date ("YTD") topline¹ revenues were \$12.06 million, YTD GAAP revenues were \$8.14 million. On a topline basis, the revenue contribution across its three main revenue streams: subscriptions, service fee and pharmacy were equal. The Company recently launched its new white-label solution, which will start contributing to the current revenue mix.
- Q3 2023 Gross profit margin (GAAP) was 41% compared to 52% in Q3 2022. The decrease in overall gross margin percentage is due to the increase in the lower gross margin pharmacy sales relative to total revenue.
- The Company onboarded 318 nurses on its platform in Q3 2023; YTD the Company onboarded 595 nurses on the platform. Currently there are approximately 2,600 nurses on the platform.
- The Company expanded its doctor network to over 100 doctors nationally and expanded its service offering to over 650 cities across 50 states.
- The Company has approximately 90 white-label locations nationwide, with new locations opening every month.
- On November 8, 2023, Hydreight was named one of Canada's Companies to Watch as part of the 2023 Deloitte Technology Fast 50™ program. The award highlights the Company's significant organic revenue growth of 250% year-over-year and validates the business operations and key differentiators Hydreight has in the market.
- On October 19, 2023, Hydreight Launched NAD+ as part of its robust patient service offering on its proprietary healthcare technology platform. NAD+ or *Nicotinamide Adenine Dinucleotide* is a coenzyme central to metabolism which is found in all living cells and consists of two nucleotides joined through their phosphate groups. Clinical studies have suggested that NAD+ may help to improve cognitive function, energy, weight management, pain management, and may also reduce and reverse effects of aging and more.

- On October 5, 2023, Hydreight provided a corporate update reflecting significant revenue growth and strong organic operational growth.
- On August 23, 2023, Hydreight announced nationwide expansion of doctor network to meet demand across all 50 states across the U.S.
- On July 26, 2023, Hydreight announced the launch of its new website booking system and nurse dispatch service, making bookings faster and easier for its customers.
- On July 19, 2023, Hydreight provided a corporate update citing tremendous growth along with new features and services.

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 September 30,			Nine months ended September 30,		
	2023	2022	% change	2023	2022	% change
Adjusted Revenue	\$3,974,626	\$2,355,006	69%	\$12,058,150	\$5,610,147	115%
Deduct (add) - deferred business partner contract revenue	(1,784)	451,482		170,102	991,445	
Deduct - business partner payouts on app service gross revenue	888,191	767,014		3,751,745	2,045,405	
GAAP Revenue	\$3,088,219	\$1,136,510	172%	\$8,136,303	\$2,573,297	216%
Adjusted Gross Margin	\$1,267,431	\$1,041,502	22%	\$3,561,578	\$2,254,222	58%
Deduct (add) - deferred business partner contract revenue	(1,784)	451,482		170,102	991,445	
GAAP Gross Margin	\$1,269,215	\$590,020	115%	\$3,391,476	\$1,262,777	169%

¹Refer to Use of Non-GAAP Financial Measures

Hydreight has expanded each division according to the revenue generation and needs of each specific division; scaling while the division's initiatives are performing successfully.

The table below sets out a summary of certain financial results of the Company over the past eight quarters and is derived from the audited annual consolidated financial statements and unaudited quarterly consolidated financial statements of the Company.

Fiscal Quarter Ended	Revenue	Net Loss After Comprehensive Taxes	Loss	Basic and Diluted Loss Per Share
September 30, 2023	3,088,219	(466,973)	(548,954)	(0.01)
June 30, 2023	2,699,668	(471,890)	(405,638)	(0.01)
March 31, 2023	2,348,416	(122,304)	(121,502)	(0.00)
December 31, 2022	1,695,134	(5,060,755)	(5,062,144)	(1.44)

September 30, 2022	1,136,510	(240,360)	(298,367)	(160.24)
June 30, 2022	823,053	(262,632)	(309,635)	(175.09)
March 31, 2022	613,734	(431,443)	(442,446)	(287.63)
December 31, 2021	357,427	(242,579)	(255,871)	(161.72)

The Company has experienced dramatic user growth over the past two years as can be seen by the consistent revenue growth over the past eight quarters. Net loss and comprehensive loss have generally remained comparable from the fourth quarter of 2021 through the current period when looking only at operating expenses, not including the reverse takeover (“**RTO**”) Transaction related expenses included in the fourth quarter of 2022 (See 2022 Audited Annual Financial Statements).

Outlook

The Company continues to deliver on its mission of building the largest mobile clinical network in the United States. Through its medical network, pharmacy network and proprietary technology platform that adheres to the complex healthcare legislation across 50 states, Hydreight has provided a fully integrated solution for healthcare providers to become independent contractors.

Hydreight remains focused on its strategic priorities of (1) onboarding and supporting additional nurses on the platform (2) adding more product and service offerings for its customers, (3) increasing pharmacy margins (4) driving white label partnerships and (5) looking for strategic tuck in M&A opportunities to scale and grow the business quickly and efficiently. Hydreight will continue to invest into its technology to ensure continuous improvements, advancements and updates adhering to changes within the healthcare industry.

In 2024, management expects to see meaningful revenue growth and margin expansion across all divisions.

Company Webinar

Management will be hosting a webinar to discuss the overall operational performance of the Company, as well as its financial performance and growth drivers moving forward. Investors are encouraged to join the presentation.

Date and Time: Wednesday, November 22, 2023, at 9:15am Pacific Time / 12:15pm Eastern Time

Registration Link:

https://us06web.zoom.us/webinar/register/WN_luauPeDRPORRvvY2aHe-A

RSU Grant

The Company also announces that it has granted 254,500 share units (“RSUs” and, together with the Options, the “Awards”) to certain employees, a consultant, and a director of the Company. The Awards were granted in accordance with the Company’s fixed equity incentive plan dated for reference August 29, 2022 (the “Plan”). 50% of the RSUs will vest on the one-year anniversary of date of grant, then 25% every six months thereafter, subject to certain exemptions. Each RSU entitles the holder to receive one common share of the Company, or in certain circumstances a cash payment equal to the value of one common share of the Company, at the time the RSU becomes payable pursuant to the terms of the applicable RSU award agreement. Pursuant to the Plan, the Company is able to grant an additional 1,286,072 awards.

Financial Statements and Management’s Discussion and Analysis

This news release should be read in conjunction with the Company’s condensed interim consolidated financial statements and related notes, and management’s discussion and analysis (“**MD&A**”) for the three and nine months ended September 30, 2023 and audited annual consolidated financial statements for the year ended December 31, 2022. and copies of which can be found under the Company’s profile at [SEDAR+](#).

About Hydreight Technologies Inc.

Hydreight Technologies Inc. is building the largest mobile clinic network in the United States. Its proprietary, fully integrated platform hosts a network of over 2500 nurses, over 100 doctors and a pharmacy network across 50 states. The platform includes a built-in, easy-to-use suite of fully integrated tools for accounting, documentation, sales, inventory, booking, and managing patient data, which enables licensed healthcare professionals to provide services directly to patients at home, office or hotel. Hydreight is bridging the gap between provider compliance and patient convenience, empowering nurses, med spa technicians, and other licensed healthcare professionals. The Hydreight platform allows healthcare professionals to deliver services independently, on their own terms, or to add mobile services to existing location-based operations. Hydreight has a 503B pharmacy network servicing all 50 states and is closely affiliated with a U.S. certified e-script and telemedicine provider network that provides services in over 650 cities and growing.

On behalf of the Board of Directors
Shane Madden
Director and Chief Executive Officer
Hydreight Technologies Inc.

Contact

Email: ir@hydreight.com; Telephone: (480) 790 6886

This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

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 Hydright 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.

Neither TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release. This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

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.

¹Refer to Use of Non-GAAP Financial Measures. "Topline revenue" and "Adjusted revenue" are be used interchangeably.

