

Reliq Health Technologies, Inc. Files Q2 FY2022 Quarterly Financial Statements, Provides Corporate Update

HAMILTON, Ontario, March 01, 2022 — **Reliq Health Technologies Inc. (TSXV:RHT or OTCQB:RQHTF)** (“**Reliq**” or the “**Company**”), a rapidly growing global healthcare technology company that specializes in developing innovative Virtual Care solutions for the multi-billion dollar Healthcare market, today announced that the consolidated financial statements (“Financial Statements”) and Management’s Discussion and Analysis (“MD&A”) for the quarter ended December 31, 2021, are now available on the Company’s profile on SEDAR (www.sedar.com).

“We have now filed our quarterly financials for Q2 Fiscal Year 2022,” said Dr. Lisa Crossley, CEO of Reliq Health Technologies, Inc. “The first two quarters of FY2022 were a period of rapid growth for the Company. Revenues for the period from July 1 – December 31, 2021 were \$3,748,292 as compared to \$843,449 for the period from January 1 – June 30, 2021, an increase of over 344%. Gross Margin improved to 74% in Q2 FY2022 as compared to 58% for FY2021. Despite the dramatic resurgence of COVID (Omicron variant) in Q2 FY2022, the Company reached a revenue run rate of \$2 Million/month as of December 31, 2021, where run rate represents the number of subscribers onboarded as of the given date. Revenue run rate is a leading indicator of revenue that is expected to be recognized within the following two to three months as patients complete training and adapt to using the platform consistently in order to reach the required compliance thresholds. As previously disclosed, during the pandemic the Company extended flexible payment terms to clients and received similarly generous payment terms from our key suppliers. Receivables older than one year are expected to be paid in full by our clients by the end of March 2022 and the Company expects to collect all other receivables in a timely manner going forward now that most of our clients have resumed normal operations.”

The Company is also pleased to provide the following corporate update.

1. Highlights from Q2 FY2022 Quarterly Financial Statements

During the period ending December 31, 2021 and subsequent, the Company:

- Increased sales before returns quarter-over-quarter by 36% to \$2,183,075 relative to the previous quarter (Q1 FY 2022 – \$1,608,168).
- Increased gross profits quarter-over-quarter to \$1,583,702 in Q2 FY2022 (Q1 FY2022: \$1,159,024). Gross Margin for the quarter was 74%, a significant increase as compared to FY 2021 (58%).
- Increased working capital significantly to \$5,921,491 as at December 31, 2021 (June 30, 2021 – \$939,933).

- Reduced current liabilities to \$945,347 as at December 31, 2021 (June 30, 2021 - \$2,238,209).
- After adjusting for non-cash expenses including share-based compensation and accretion and one-time non-reoccurring expenses including legal fees related to the settlement of the proposed Class Action claim and expenses relating to prior quarters, the Company's adjusted EBITDA (gain) for Q2 FY2022 was \$48,062 (Q2 FY2021 adjusted EBITDA (loss): \$1,684,491).
- Signed implementation plan agreements with current clients that are expected to add over 10,000 new patients to the platform in Calendar Year 2022, leveraging the new Medicare Remote Therapeutic Monitoring billing codes for patients with musculoskeletal or respiratory conditions. Five new billing codes for RTM were introduced on January 1, 2022, allowing clinicians to provide ongoing in-home treatment and monitoring for patients with musculoskeletal and respiratory conditions. RTM involves having patients use medical devices that collect non-physiological data such as therapy/medication adherence and therapy/medication response, and also allows for patient self-reporting of key metrics such as pain level, mobility, nighttime waking due to breathing difficulties, etc. The new RTM codes have increased Reliq's target patient population by over 20 million newly eligible patients to over 57 Million total eligible patients.
- Signed an agreement with Data Soft Logic (DSL) to provide iUGO Care to DSL's existing and new clients. Data Soft Logic currently has over 600 home health and hospice care agency clients who work with more than 1,000 primary care physicians to provide care to over 500,000 Medicare and Medicaid patients. Reliq expects to begin onboarding DSL's patients in Q2 Calendar Year 2022 and to ramp up to adding over 50,000 new patients per year each year beginning in 2023, at an estimated revenue of \$60 per patient per month.
- Signed an agreement with Cognizant to leverage Cognizant's Care Management resources for future deployments of Reliq's iUGO Care software to large scale clients. Cognizant provides services to 300+ health systems and over 347,000 care providers who together provide care to over 200 million lives globally. The agreement with Cognizant will allow Reliq to scale to new levels and provide even the largest healthcare organizations with confidence that the Company can meet the needs of their patient populations, no matter the size, allowing Reliq to access new opportunities to provide virtual care to much larger patient populations both within the US and globally.
- Signed contracts with 39 new US primary care physician practices and 10 other healthcare organizations in specialties including hospice care, nephrology, orthopedics, long term care, cardiology and care management.
- Signed contracts with 9 new home health agencies in the US.

2. Overview of Revenue Run Rate, Revenue Recognition and Guidance

Despite the dramatic resurgence of COVID (Omicron variant) in Q2 FY2022, the Company reached a revenue run rate of \$2 Million per month or \$24 million per year at the end of the quarter (December 31, 2021). Revenue run rate is calculated using the number of subscribers as of the given timepoint and is an indication of the revenue expected over the next year, excluding new clients and patients subsequently announced within the given year. New patient revenue is typically recognized after the second or third full month that a patient is on the platform when patients typically reach the required compliance thresholds. Therefore, revenue run rate is a leading indicator of revenue which is expected to be recognized approximately three months later. Revenue run rate differs from revenue guidance in that guidance includes expected growth over the year.

3. Outlook for Calendar Year 2022

The Company expects to generate \$40 Million CAD in revenue in Calendar Year 2022.

4. Date for Webinar to Review Q3 FY2022 Financials

The Company's consolidated financial statements for Q3 FY2022 (quarter ending March 31, 2022) are due to be filed on or before May 30, 2022. The webinar to review the financial statements will be scheduled on or before May 31, 2022.

About Reliq Health

Reliq Health Technologies is a rapidly growing global healthcare technology company that develops innovative Virtual Care solutions for the multi-billion dollar Healthcare market. Reliq's powerful iUGO Care platform supports care coordination and community-based healthcare. iUGO Care allows complex patients to receive high quality care at home, improving health outcomes, enhancing quality of life for patients and families and reducing the cost of care delivery. iUGO Care provides real-time access to remote patient monitoring data, allowing for timely interventions by the care team to prevent costly hospital readmissions and ER visits. Reliq Health Technologies trades on the TSX Venture under the symbol RHT and on the OTC as RQHTF.

ON BEHALF OF THE BOARD

"Dr. Lisa Crossley"

CEO and Director

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Cautionary Statements Regarding Forward Looking Information

Certain statements in this press release constitute forward-looking statements, within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are “forward-looking statements”.

We caution you that such “forward-looking statements” involve known and unknown risks and uncertainties that could cause actual and future events to differ materially from those anticipated in such statements.

Forward-looking statements include, but are not limited to, statements with respect to commercial operations, including technology development, anticipated revenues, projected size of market, and other information that is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Reliq Health Technologies Inc. (the “**Company**”) does not intend and does not assume any obligation, to update these forward-looking statements except as required by law. These forward-looking statements involve risks and uncertainties relating to, among other things, technology development and marketing activities, the Company’s historical experience with technology development, uninsured risks. Actual results may differ materially from those expressed or implied by such forward-looking statements.

SOURCE: Reliq Health Technologies Inc.

