Cloud DX Reports Results for the Second Quarter and First Six Months of 2023

Highlights in H1 include 115.8% increase in subscription revenue, 63.3% increase in total revenue, and 167% increase in gross profit compared to the first half of 2022.

Key Developments:

- The Company has announced **20 new commercial contracts** from January 1, 2023 to date, compared to 28 contracts/extensions signed in all of FY-2022.

- Total Revenue to June 30 of $946,373 represents an **increase of 63.3%** compared to the same period in 2022 due to increases in both new contracts signed and growth of existing contracts.

- Gross profit to June 30 was $690,505, or **167% higher** than in H1-2022 due to increased Subscription and Product revenue from new customers.

- Important new/extended contracts announced: 7 new Community Paramedic contracts; RFP win with Mohawk Medbuy; RFO win with Western Canadian Primary Care Network

Kitchener, ON / August 29, 2023 / Cloud DX (TSXV:CDX) (OTC:CDXFF), a leading North American digital health platform and provider of remote patient monitoring (RPM) solutions, is pleased to report results for the 3 months and 6 months ending June 30, 2023.

Earnings Call Webinar:

Tuesday August 29th 2023
11:00 AM PDT / 2:00 PM EDT
Registration – click here

2023 Second Quarter Financial Highlights

	Q2_2023	Q2_2022	$ Δ	% Δ
Subscription Revenue	$ 210,740	$ 111,775	$ 98,965	88.5%
Product Revenue	$ 102,724	$ 103,302	$ (578)	-0.6%
Professional Services	$ 58,712	$ 27,149	$ 31,563	116.3%
Other Revenue	$ 6,191			
Total Revenue	$ 378,367	$ 242,226	$ 136,141	56.2%
Gov't Funding	$ 84,413	$ 310,962	$ (226,549)	-72.9%
Cost of Sales	$ (76,787)	$ (120,798)	$ 44,011	-36.4%
Gross Profit	$ 301,580	$ 121,428	$ 180,152	148.4%
Gross Profit Margin	79.7%	50.1%		
Operating Expenses	$ (2,049,207)	$ (2,657,801)	$ 608,594	-22.9%
EBITDA	$ (1,542,514)	$ (2,105,972)	$ 563,458	-26.8%
Interest Expense	$ (628,920)	$ (59,655)	$ (688,575)	1154.3%
Net Loss	$ (2,297,260)	$ (2,288,287)	$ (8,973)	0.4%

2023 Six Month Financial Highlights

	H1_2023	H1_2022	$ Δ	% Δ
Subscription Revenue	$ 428,408	$ 198,482	$ 229,926	115.8%
Product Revenue	$ 419,743	$ 330,622	$ 89,121	27.0%
Professional Services	$ 90,879	$ 50,384	$ 40,495	80.4%
Other Revenue	$ 7,343			
Total Revenue	$ 946,373	$ 579,488	$ 366,885	63.3%
Gov't Funding	$ 165,300	$ 395,953	$ (230,653)	-58.3%
Cost of Sales	$ (255,868)	$ (320,983)	$ 65,115	-20.3%
Gross Profit	$ 690,505	$ 258,505	$ 432,000	167.1%
Gross Profit Margin	73.0%	44.6%		
Operating Expenses	$ (4,648,755)	$ (5,023,650)	$ 374,895	-7.5%
EBITDA	$ (3,548,275)	$ (4,133,234)	$ 584,959	-14.2%
Interest Expense	$ (1,198,501)	$ (115,297)	$ (1,313,798)	1139.5%
Net Loss	$ (4,998,938)	$ (4,493,317)	$ (505,621)	11.3%

Summary of Results:

Revenue

For the quarter ended June 30, 2023, total reported revenue of $378,367 **increased by $136,141 or 56.2%** compared to the same quarter in 2022. Product revenue was flat, with a small decrease of $578 or 0.6% and professional services revenue increased by $31,563 or 116.3%. Subscription revenue increased by $98,964 or 88.5% vs Q1 2022 due primarily to increased patient enrollment across all our Canadian contracts. Government grant funding was $84,413 in the quarter, a 72.9% decrease from the same period in 2022 due primarily to timing of payments on active grants. Government grant funding payments routinely fluctuate from period to period.

For the six months ended June 30, 2023, total revenue of $946,373 **increased by $366,884 or 63.3%** compared to the same period in 2022. Product revenue increased by $89,121 or 27% due to new customers in Canada and the US purchasing Connected Health Kits. Professional services revenue increased by $40,495 or 80.4% due to increased integration, customization and services orders from large government and hospital customers. Subscription revenue increased by $229,926 or 115.8% vs this period in 2022 due to large and ongoing increases in patient enrollment as new contracts signed in Q1 and Q2 come on-stream. Government grant funding was $165,300 in the six months, a 58.3% decrease from the same period in 2022 due primarily to timing of payments on active grants, and an expected reduction in the Company's dependance on government grants. Fluctuations in professional services and grant funding amounts from period to period are not unusual for Cloud DX.

Expenses

Second quarter operating expenses **decreased $608,654 or 22.9%** in the quarter compared to the same period in 2022, mainly due to cost reduction measures adopted beginning in Q1 2023. This trend in lower operating costs plus higher revenues generated a **gross profit increase of $180,152 or 148.4%** in the quarter.

Six-month operating expenses **decreased $374,895 or 7.5%** for the six months ended June 30, 2023 compared to the same period in 2022, again due to reduction in operating expenses, particularly salaries and consulting fees, along with additional efficiencies.

The impact of cost-cutting activities will continue to play out in subsequent quarters. Please see the Q2 Consolidated Financial Statements and Q2 MD&A for more details.

Details of New Contracts to date, 2023

The Company announced 17 new, expanded or extended commercial contracts as of June 30, 2023, and 3 contracts subsequently, totaling 20 compared to 28 contracts/extensions in all of 2021.

In the United States, the Company announced a Master Deployment contract with a new class of clinical practice, represented by Concierge Medical provider and MDVIP Clinic in Willowbrook IL. Concierge Medicine practices enroll patients as Members and charge an annual fee on top of billing public and private insurance providers. They offer enhanced services to their Members, and Remote Patient Monitoring powered by Cloud DX allows them to attract and retain new patients, driving increased revenues as well as improving patient satisfaction and outcomes. The Company has identified over 5,000 Concierge Medicine providers to target bespoke programs based on lessons learned working with this reference customer.

In Canada, notable new contracts announced in the period include:

- Owen Sound Family Health Team
- Southlake Hospital
- University of Ottawa Heart Institute
- Simcoe County Paramedics
- Oneida County Paramedics
- Brandt County Paramedics

On June 21, 2023 the Company announced that it had won a competitive Request for Proposal (RPF) to become the sole supplier of Remote Patient Monitoring products and services to Mohawk Medbuy, the largest national shared services organization (SSO) serving hundreds of Canadian hospitals and health care providers. The initial contract runs from July 1, 2023 to June 30, 2026 with option for further extensions to June 30, 2030.

Customers expanding and/or renewing their deployment of Cloud DX Connected Health include:

- Yukon Health and Social Services
- Niagara Family Health Team
- St Mary's Hospital, Kitchener ON
- Guelph County Paramedics
- Simcoe County Paramedics
- Owen Sound Family Health Team
- Western Provincial Health Department
- Windsor-Essex County Paramedics
- Owen Sound Family Health Team
- University of Ottawa Heart Institute

The Company has now been awarded 9 contracts for RPM with Community Paramedic Services in Ontario for long term care. In May 2023, the Ontario Ministry of Long Term Care announced **$174 million CAD in**

new funding to sustain the Community Paramedicine for Long-Term Care (CPLTC) Program, allowing seniors to remain safely at home while awaiting placement in long-term care.

Subsequent Events:

On July 11, 2023, the Company announced A $4.0 Million Private Placement of Secured Convertible Debentures with Opening Orders for $1.72 Million, Amendments to Existing Secured and Unsecured Convertible Debentures and Warrant Repricing.

On July 12, 2023, the Company announced that St Mary's General Hospital (SMGH) in Kitchener Ontario is increasing their deployment of Connected Health remote patient monitoring products and services provided by Cloud DX.

On July 20, 2023, the Company announced that it received a large expansion order for Connected Health™ Remote Patient Monitoring (RPM) products and services from an existing client, an Ontario Heart Centre. This deployment will add up to 500 new patients in a full year, replacing the services of a previous vendor.

On July 24, 2023, the Company announced that it has been awarded a competitive contract by a leading network of 12 primary care clinics in Western Canada to provide its Connected Health™ Remote Patient Monitoring Platform in the region.

About Cloud DX

Accelerating digital healthcare, Cloud DX is on a mission to make healthcare better for everyone. Our Connected Health TM remote patient monitoring platform is used by healthcare enterprises and care teams across North America to virtually manage chronic disease, enable aging in place, and deliver hospital-quality post-surgical care in the home. Our partners achieve better healthcare and patient outcomes, reduce the need for hospitalization or re-admission, and reduce healthcare delivery costs through more efficient use of resources. Cloud DX is the co-winner of the Qualcomm Tricorder XPRIZE, 2022 Top Innovator by Canadian Business, a 2021 Edison Award winner, a Fast Company "World Changing Idea" finalist, and one of "Canada's Ten Most Prominent Telehealth Providers." Cloud DX is an exclusive partner to Medtronic Canada, Teladoc Health Canada, and Mohawk Medbuy.

Cloud DX Investor Site https://ir.clouddx.com/overview/default.aspx

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Forward Looking Statements

This news release contains forward-looking statements and information within the meaning of applicable securities legislation. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements or information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this news release. In particular, this news release includes certain forward-looking statements concerning the terms of the contract extension, the expected proceeds therefrom, as well as management's objectives, strategies, beliefs and intentions.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, the Company's the ability of the Company to fulfill the terms of and derive the benefits from the contract extension.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information.

À propos de Cloud DX

Accélérant les soins de santé virtuels, Cloud DX a pour mission d'améliorer les soins de santé pour tous. Notre plateforme de surveillance à distance des patients Connected HealthMC est utilisée par des entreprises de soins de santé et des équipes de soins partout en Amérique du Nord pour gérer virtuellement les maladies chroniques, permettre aux gens de vieillir chez eux et fournir des soins post-chirurgicaux de qualité hospitalière à domicile. Nos partenaires obtiennent de meilleurs résultats pour les soins de santé et les patients, réduisent le besoin d'hospitalisation ou de réadmission, et réduisent les coûts de prestation des soins de santé grâce à une utilisation plus efficace des ressources. Cloud DX est co-lauréate du prix Qualcomm Tricorder XPRIZE, lauréate du prix Edison 2021, finaliste du concours « World Changing Idea » de Fast Company et un des dix plus importants fournisseurs de télésanté au Canada.

Site des relations avec les investisseurs de Cloud DX https://ir.clouddx.com/overview/default.aspx

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