Cloud DX Inc. Announces Restructuring Process and the Resignation of 2 Directors

KITCHENER, ON / ACCESSWIRE / June 6, 2024 / Cloud DX Inc. ("Cloud DX") (TSXV:CDX)(OTCQB:CDXFF) today reports that its wholly-owned subsidiary, Cloud Diagnostics Canada ULC (the "**Company**"), with the authorization and approval of its board of directors (the "**Board**"), has filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada). Cloud Diagnostics Canada ULC is a material subsidiary of Cloud DX Inc, accounting for most of the Company's revenues.

It is important to note that the Company is not bankrupt and all services to customers will continue as usual. The decision to file an NOI for the Company was made by the Board after careful consideration of the Company's cash position, financing options, scheduled payments to suppliers, forecast revenue and expenses and all available alternatives. The Board determined that it was in the best interests of the Company and its shareholder to file an NOI and obtain creditor protection.

The NOI is the first stage of a formal process which permits the Company to pursue a restructuring of its affairs. The filing of the NOI has the effect of imposing an automatic stay of proceedings ("**Stay**") that will protect the Company and its assets from claims and enforcement proceedings of its creditors. The initial Stay period is 30 days and may be extended by subsequent court order. There can be no assurance that the current process will result in a transaction or, if a transaction is undertaken, that it will be successfully concluded in a timely manner, or at all.

The principal purpose of the NOI filing is to create a stabilized environment for the Company and its financial advisors to run an orderly and flexible sale, investment and solicitation process (the "**SISP**") approved by the Supreme Court of British Columbia (the "**Court**") with the goal of identifying one or more interested parties that wish to acquire or make an investment in the Company's business or all or some of its assets. Crowe MacKay LLP has been appointed as the trustee under the NOI (the "**Proposal Trustee**"). The Company is working closely with the Proposal Trustee and its legal advisors on the SISP to best protect stakeholders with the objective to complete the SISP by the end of August 2024.

Directors, Brad Miller and Konstantin Othmer, have resigned from the Board of Directors of Cloud DX. The remaining 5 directors of Cloud DX remain in place.

Due to the filing of the NOI, Cloud DX expects that the TSX Venture Exchange (the "**TSX-V**") will suspend the trading of the common shares of Cloud DX (the "**Cloud Shares**") until such time as Cloud DX is in compliance with the TSX-V continued listing requirements (the "**Continued Listing Requirements**"). If this occurs, there is no certainty as to timing or likelihood that the Cloud Shares will recommence trading on the TSX-V, and the Cloud Shares will be transferred to the NEX Board, a subsidiary board of the TSX-V, if the Continued Listing Requirements are not met.

About Cloud DX

The Cloud DX Connected Health™ 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."

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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

La Bourse de croissance TSX et son fournisseur de services de réglementation (tel que ce terme est défini dans les politiques de la Bourse de croissance TSX) n'assument aucune responsabilité quant à la pertinence ou à l'exactitude du présent communiqué.

Tous les énoncés prospectifs sont assujettis à des risques et à des incertitudes, tels que ceux décrits dans les rapports périodiques de Medtronic déposés auprès de la Securities and Exchange Commission. Les résultats réels peuvent sensiblement différer des résultats anticipés.