Relay Medical Corp.
(formerly ChroMedX Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2019
(Expressed in Canadian Dollars)

Management's Discussion and Analysis of Operations
For the three and six months ended March 31, 2019

This Management's Discussion and Analysis ("MD&A) is prepared as May 24, 2019 and has been prepared in accordance with International Financial Reporting Standards ("IFRS). All amounts are in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's directors follow recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Caution Regarding Forward Looking Statements

This document contains forward-looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including the Company's ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

The preparation of the MD&A may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the accounting policies, outlined in the Significant Accounting Policies section of its consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Introduction

The following MD&A for the three and six months ended March 31, 2019 has been prepared to help investors understand the financial performance of Relay Medical Corp. (formerly ChroMedX Corp.) ("the Company" or "Relay"), in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

All amounts are expressed in Canadian dollars (CAD) unless otherwise noted.

Additional information about Relay Medical Corp., this document, and the related quarterly financial statements can be viewed on the Company's website at www.relaymedical.com and are available on SEDAR at www.sedar.com.

The Company's Common Shares are listed and traded on the CSE ("CSE") under the symbol RELA.

Corporate Overview

The Relay business model combines expertise in development/commercial leadership, funding, and strategic partnerships to offer inventors and early stage start-ups a unique "Integrated MedTech Accelerator" platform to develop and transact technologies with unmatched efficiency.

By utilizing proven methodologies, innovation culture, a multi-disciplinary techno-commercial team and a flexible funding vehicle, the Company has organized the resources to develop multiple technologies concurrently and actively identify and curate a portfolio of undervalued MedTech opportunities for near term commercialization and transaction. It is Relay's core focus to remain dedicated to building the organization holistically and as a long-term endeavour to acquire, develop and transact technologies for the benefit of all related stakeholders.

Acquisition and Development Model

Relay's acquisition model is guided by robust criteria and supported by thorough market intelligence and an innovative execution process, that ensures that each opportunity is critically evaluated for clinical and commercial advantages as well as its fit into the Company's infrastructure and domain expertise. To increase efficiencies, projects are chosen that compliment existing techno-commercial infrastructure and leverage existing human resources and expertise to rapidly increase value.

The Relay development model is to run a cohort of project-companies, spreading the risk, advancing the learning and making decisions across the entire portfolio, hand in hand with clinical leadership from the inventors, as an inherent part of the investment model. This model allows the Company to objectively manage the development of acquisitions and the option to discontinue projects that do not pass through the next evaluation in a "stage-gated" process. Acquisitions will be structured in ways that allow Relay to exit projects early without consequences to our shareholders when capital and human resources are better deployed or attributed to other projects.

The key to having success under this model is to effectively manage the various stage-gates in a project so that unnecessary resources are not consumed advancing a project that is not worthy of advancement. The Company refers to its product development methodology as: “Due Diligence by Doing”. It entails investing and iterating in measured steps, as the team gains more insight about the Product-Market-Fit and Exit-Architecture.

In conjunction with Relay’s evolving business development/research requirements, the Company appointed John Soloninka as Senior VP of Acquisitions and Exits. Under John’s leadership the Company has been corresponding with leading tech transfer offices in Canada and the United States for its project intake funnel. From over 1000 IP disclosures the Company has identified over 100 technologies for advanced screening that are currently in multiple stages of due diligence. Relay’s acquisitions department has established a scouting network and the Company’s current expectation is to have multiple acquisitions completed during 2019.

Value Proposition

The public company infrastructure allows Relay to incorporate flexible financing structures that are attractive to inventors and investors that are not possible in a private company structure. It also gives investors access to a lower-risked investment structure that is not attainable in a single product development company.

Using this infrastructure and drawing on managements dedication and expertise, it is Relay’s intent to conduct multiple acquisitions and transactions each year, building out capacity and returns for all related stakeholders. The Company intends on transacting each successful acquisition pre-commercially within three years.

Moving Forward

Relay has built a dedicated business and product development team to accelerate development and maximize value for the HemoPalm IP asset and are progressing on prototype development of the UX Data Sciences 1st generation product.

As an organization, Relay has established a leadership team and sufficient finances to propel the value of the Company and advance development and acquisition activities. Relay’s acquisition team is currently engaged in various stages of due diligence and negotiation with what we believe to be further promising assets that will be valuable additions to the Company’s growing portfolio.

The Company currently has two projects under development. HemoPalm, the Company’s lead product, is the only handheld blood analysis system which combines Blood Gases & Electrolytes with full CO-oximetry. On May 23, 2018, the Company acquired UX Data Sciences Corp., a medical technology and data science company developing user friendly products and systems solutions for improving, tracking and monitoring patient compliance and medication adherence. The product mission is to improve consumer's relationships with their medications and foster a more cohesive ecosystem between patients, doctors, carers, providers, and payors.

Results of operations

Overview

Relay Medical has made significant advances to the company's business and capabilities, notably changing the leadership, defining and refining the business model, expanding the techno-commercial team, building relevant infrastructure, completing successful financings, successfully completing the UXD acquisition and advancing commercial strategies. The Company's primary product mandate was to focus on the advancement of the HemoPalm blood analyzer technology in accordance with market needs and path-to-exit strategy. The Company acquired UX Data Sciences and the Pharmatrac technology in May 2018 and rapidly executed the expansion of its business capacity and infrastructure to support the HemoPalm project.

The Company continued to undertake thorough market research/analysis and the build out of a dedicated techno-commercial team with the necessary capabilities to deliver on HemoPalm R&D and product development requirements. With this mandate, Relay's team has grown with industry leading executives and technical leaders, and is currently moving to a newly expanded 6000 sq. ft headquarters facility by the Pearson airport, in the Greater Toronto Area. This facility will accommodate the Company's human resource needs and lab requirements. Relay reported on the development of a cloud-based regulatory management system and a modular software development toolkit in support of HemoPalm development and the broader company strategy in November.

HemoPalm

HemoPalm, the Company's lead product is a handheld whole blood analyzer and single-use cartridge, with full hospital IT integration, which bring lab-quality blood analysis to the bedside in critical care. The technical development and design planning of Relay's HemoPalm has been focused on an "enterprise solution" approach, integration with existing hospital infrastructure, and design flexibility, aiming to reduce barriers to adoption at every layer of the enterprise.

The Company's view of the market for the HemoPalm product is that the market expects a "total solution" approach and design excellence in every aspect of the product, touching upon the value drivers for all of the key stakeholders who rely on the product. Thorough analysis is being conducted on areas including distributed QA and training, the accountability of the lab and the Clinical Biochemist, cost structures and reimbursements, logistics and consumables management, workflow and reduction of pre-analytical errors, future test panel introductions, integration with hospital IT, security and fleet management to be incorporated into the product design specifications - compiling the information into the User Experience (UX) and the Total Ownership Experience (TOX), which all of the stakeholders in the hospital, experience.

Relay is developing the HemoPalm technology to provide the in vitro diagnostics market with an efficient and complete enterprise solution for POC blood gas and CO-oximetry testing. The HemoPalm technology combines the capabilities of modern hand-held or ultraportable devices to measure blood gas and electrolyte parameters with the measurement of a full panel of CO-oximetry results, using a disposable, unit-use cartridge. The Company believes such a device will hold a significant competitive advantage in the marketplace.

Relay has assembled a senior strategic team spearheaded by Medtech Executive and strategist John Soloninka to lead “voice of customer” analysis and to investigate the value maximization of the HemoPalm asset. The Company continues to consult with counsel and advisors to further optimize intellectual property protection both as a core asset and as blocking IP for larger competitors who, the Company believes need to incorporate the HemoPalm technology into their products. Relay currently has a techno-commercial team actively focused on the HemoPalm project.

The Company has received considerable feedback from the voice of customer research initiative including detailed correspondence with key-opinion leaders (KOLs) in the ICU and NICU. Preliminary feedback indicates a clear clinical need for the HemoPalm IP and for the integration of decentralized POCT testing devices for rapid clinical decision making as part of an enterprise solution in hospitals, for process improvement, QA and training. Substantial additional conversations have been held with potential partners and customers.

Chief Science Officer Dr. Tom Glawdel continues to lead technical advancement as Relay works towards the development and productization of world class CO-Oximeter technology in a handheld form factor. Testing is being conducted on three bench-top spectrometer setups. Historical data from experiments have been run through the technology’s new software setup and are generating some promising results.

In 2017, the Relay development team focused on the research, development, benchmarking, modeling and validating of the core components of the HemoPalm technology. During 2018, the Company’s techno-commercial team has conducted in-depth market research and analysis to outline product strategy and exit requirements to define the HemoPalm feature set, path to the market, technical implementation roadmap and productization plan.

Relay’s techno-commercial team embarked on the internal software projects as part of the expanding of the infrastructure for the management of multiple projects. Development and implementation of the software was initially conducted to improve efficiencies and regulatory management for the advancement of the HemoPalm project, and the software now acts as a backbone for the Company’s multi-project development processes.

The first is a proprietary cloud-based Traceability Matrix management tool, which integrates with the Company’s ISO 13485 SOPs and project management methodologies. The requirement tractability matrix is an important part of the regulatory submissions for market clearance to the FDA and other regulatory agencies, and is something that many medical device companies struggle with, relying mostly on immutable excel sheets or overcomplicated and costly enterprise QMS software. Relay’s approach is lightweight and tailored to fit the Company’s unique requirements, interlacing the QMS and the PM practices into the tractability tracking software. The software is also designed to automatically generate regulatory documents during the validation phase, to manage design controls effectively and eventually to simplify FDA submissions. Relay is designing this primarily for its own purposes but is not ruling out the possibility of this management software becoming the toolbox of choice for MedTech start-ups, as a product in its own right.

The second is a modular approach to the Company's software development needs of creating a rapid prototyping platform and a proprietary developer toolkit. The software will be used in the majority of Relay's projects, for cloud applications, front-end implementations and for middleware and connectivity. The developer's toolkit is designed to accelerate software development across multiple projects by providing familiar tools and repeat practices as well as the modules already in place, so that software development does not need to start from scratch every time the Company takes on a new project, while maintaining high software quality across projects.

The HemoPalm system design parameters have been enhanced to address both market needs and those of potential exit partners. Relay's new HemoPalm system design reflects a "complete healthcare enterprise solution" approach that addresses integration with existing hospital infrastructure, workflow, and regulatory requirements and includes flexibility to meet the needs of a wide range of users and applications. Some of the notable product design and technology advancements include:

- Design and architecture of cartridge: Significant improvements were made in the design and architecture of the cartridge to improve high volume manufacturability and to reduce the cost of manufacturing and the cost of ownership. A low disposable cartridge cost is one of the key criteria for exit partners in selecting new technologies.
- Analyzer and System Design: The output of market analysis and consultation has allowed the further development of product design specifications for the analyzer and supporting system components in order to achieve optimal form and function in a complete "enterprise" solution.
- Co-oximetry: Analytical strategies have been developed to overcome the challenges of direct measurement of whole blood samples, with excellent results from preliminary "challenging" test samples.
- Sample Introduction: As the product is being developed to be used in multiple settings, with varying user skill sets, ease of use is critical and has been a focus of Relay's development team. Improvements to simplify the introduction of blood samples to the device have been incorporated into the latest cartridge design.

Additional key developments achieved in the current period include;

- Demonstrated feasibility of whole blood analysis: The Company's proprietary optical approach has demonstrated accurate measurement of hemoglobin fractions (compared with industry-leading benchtop CO-oximetry analyzer) without red blood cell hemolysis. Relay's CO-oximetry measurement technology enables the direct measurement of whole blood samples, without the need for red blood cell hemolysis as typically required in larger, more complex benchtop systems.
- Decoupled CO-oximetry optical chamber from unit-use cartridge for cost, precision, and commercial optionality: The separation of components allows flexibility for material selection and manufacturing methods to optimize performance and production yields. Additionally, the decoupling provides commercial flexibility, allowing for Relay's proprietary CO-oximetry measurement technology to be licensed to strategic partners and integrated into existing diagnostic platforms.
- Demonstrated feasibility of advanced third-generation microfluidic cartridge: A new, simplified cartridge design that supports more robust operation and cost-efficient manufacturing has demonstrated reliable, controlled fluid flows through a series of microfluidic tests. The third-generation cartridge includes a novel integrated calibration fluid module and design compatible with cost-efficient manufacturing processes.

Relay's current focus is on refining key proprietary system components to ensure optimization of assay accuracy, manufacturability, and cost – design criteria critical to competitive advantage and integration with strategic partners.

Relay continues to advance the HemoPalm technology and system design to enhance its unique commercial opportunities in the POC diagnostics marketplace. Further, the Company believes that this advanced Point-of-Care solution for blood gas and CO-oximetry testing on a unit-use portable platform has the potential to improve the cost, quality, timeliness, and efficiency of patient care and increase the satisfaction of healthcare providers and their patients.

UXD Acquisition and Pharmatrac

On May 23, 2018, the Company announced the closing of the acquisition of the Ottawa, Ontario based medtech data science company, UX Data Sciences Corp. ("UXD"). Relay acquired UXD and its assets by the issuance of 15,280,139 common shares of the Company.

UX Data Sciences Corp. is a medical technology and data science company developing UX-centric products (UX refers to user experience) and systems solutions for improving, tracking and monitoring patient compliance and medication adherence including the Pharmatrac technology. The Company's mandate is to improve consumer's relationships with their medications and foster a more cohesive ecosystem between patients, doctors, carers, providers, and payors. Included in the acquisition are the benefits of a partnership with IBM's Incubator Project and working capital, including approximately $500,000 in cash. As part of this transaction, several members of the UX Data Sciences team will join Relay to continue work on the development of the data science system and other technologies in the Company's portfolio.

Pharmatrac

The Pharmatrac technology was acquired as part of Relay's acquisition of UXD. The Pharmatrac is a UX-centric (user experience) system designed to improve management and identification of medications. Following the acquisition, Relay Medical has completed the integration of UXD's technologies, development infrastructure and personnel with its own at the Company's facilities in Mississauga, Ontario, Canada. The Pharmatrac and related assets are 100% owned and controlled by Relay Medical and operations/development activities are being managed as part of the development team portfolio.

Pharmatrac Market

Medication non-adherence is a world-wide problem that costs payors and healthcare systems billions of dollars annually and puts consumers at significant risk. There is a growing need for assistance in the management of medications and for information related to adherence to improve efficiencies in the pharmaceutical ecosystem.

In the United States it is estimated that over 20% of Americans are on 5 or more pharmaceuticals, an expenditure of US $250B per annum for prescription drugs. Individuals have a difficult time managing their medications which results in un-necessary hospital admissions (33%-69%) and readmissions within 30 days due to adherence issues (~64%).

In North America it is estimated that patient compliance and medication adherence is less than 50% which means more than half of patients/consumers are likely to improperly take or skip medications, appointments, and other treatment protocols. 125,000 unnecessary deaths are estimated to occur every year in the US due to this issue(6) and adds an estimated US $290B to the US healthcare system.

Pharmatrac System

The Pharmatrac is a UX-centric (user experience) system designed to improve management and identification of medications. The system offers sophisticated smart solutions to patients, caregivers and other stakeholders in the pharmaceutical prescription lifecycle.

The initial stage of commercialization will be the launch of the 1st generation consumer product that consists of a suite of interactive trackers and apps being developed to connect with an AI-driven analytics platform, enabled by IBM BlueMix, IBM Watson, and other SaaS modules. The consumer product is being designed to integrate with current and evolving smart home systems and enables consumers and caregivers to confidently identify, track, and monitor medications by utilizing audio labels, sensors, cloud, AI and Bluetooth technology, to influence user habits.

In November 2018 the Company announced the commencement of the Relay led Pharmatrac user study to assist in the evolving design of the medication management system. The user study protocols were designed and conducted with the assistance of Human Factors North to assist with the designing of a smart system to accurately address the needs of patients and their care circle while compiling data to improve prescription management and influence patient habits. Following the completion of the user study, the Company established the digital label hardware design.

The Pharmatrac digital label hardware design has been designed to affix to standard sized medication/pill bottles via both reusable and tamperproof methods. The Digital Label includes Bluetooth and proprietary connectivity channels, a high-quality speaker, patient engagement button, identification LED, and several sensors, packaged in a small tamperproof form factor with onboard power management and memory cache. The Digital Label is designed to communicate seamlessly with the hardware and software apps in the current product release pipeline, to create a comprehensive suite of products and services to cater to the needs of patients and care givers. The hardware and apps will enhance and simplify medication management for both patient and caregiver, as well as gathering rich data for the patient/caregiver and for the Providers and Payors. The cloud-based AI, analytics and predictive algorithms will provide unprecedented value to all stakeholders.

The Company is currently preparing for the next two user studies to test out its most advanced concepts for user experience and technology integration. The team continues to design the business architecture, which includes pricing strategies, integration with existing smart-speakers and smart home systems, like Amazon Alexa and Google Home, as well as the recurring revenue stream strategies for the subscription service offerings to the users and institutional stakeholders.

The Company is currently building 3rd generation prototypes in preparation of a researcher-lead clinical trial and pilot project and is working closely with a prominent Industrial Design partner in Tel Aviv, Israel who specializes in Internet-of-things and user centric design.

The first phase of commercialization will be the launch of the *UXD consumer product* that offers unprecedented benefits for front-end users and supplies valuable data for commercial and institutional stakeholders. This will lead towards the subsequent launch of the UXD data analytics platform and the deployment of dashboards for providers and payors for clinical and commercial intelligence.

The UXD consumer product consists of a suite of interactive trackers and apps that are connected to an AI-driven, analytics enabled platform enabled by IBM BlueMix, and IBM Watson and other SaaS modules. The system enables consumers and care-givers to confidently identify, maintain, and monitor medications by utilizing audio labels, sensors, cloud, AI and Bluetooth technology to remind, track, confirm and influence user habits.

The Pharmatrac development team is currently engaged in industrial design and prototyping for an upcoming researcher-led clinical trial. An internal demonstration of a software proof-of-concept prototype has been completed and demonstrates the basic functionalities of the tracker and the potential of the system to manage multiple medications and users in a home.

Current Development Activities Include:

- Project planning and product strategy alignment
- Software development
- Industrial Design concepts
- System architecture design
- Technical roadmap feasibility assessment
- Building props and prototypes for user trials
- Investigating use cases and workflows
- Designing user study protocols
- Expanding IP coverage and analysis
- Designing IP strategy
- Designing a sales and marketing strategy
- Validating commercial models and exit strategy

The Company has appointed seasoned Industrial Designer Ms. Laura Karik as Sr. Industrial Design Leader of Relay Medical Corp. A major part of Laura's responsibilities is to envision and design a best in class suite of products and apps to provide unprecedented value to users and other stakeholders in the ecosystem surrounding prescription medication. Laura has over 20 years of industry experience and has an impressive track record of successful medical devices and product design. Laura formerly acted as Chief Industrial Designer at Kangaroo Group and was integral to the company's leadership team.

In early February the Company reported on the Pharmatrac digital medication label hardware design following the completion of the first Relay-led user study. Following further business development, and user study analysis the Company is pleased to report on the development of a patent-pending design for an in-home countertop medication appliance. The appliance is designed to allow patients to interact with their medications without modification to their current behavior while simultaneously introducing value-add features to reduce patient and caregiver confusion around medication adherence.

The Company has commenced a second user study to test the in-home countertop medication appliance. The study has been designed to evaluate how a central appliance in the medication experience can have positive effects on adherence to treatment protocols and add value to the interaction between patient and patient's remote caregiver.

Preliminary results from the user study demonstrate robustness of the system (i.e., the appliance and associated cloud platform) and are suggestive of a strong product-market fit.

Other notable development activities/initiatives include:

- Successful testing of a high-quality mini-speaker embedded in the digital medication label to produce audible alerts and verbal cues to encourage adherence and provide feedback;
- Launched a data science project to develop capabilities to predict when a patient is at risk of non-adherence and trigger digital interventions to increase likelihood of adherence;
- Designed the user interface of a mobile app to upload the patient's medication protocol to the digital medication label(s), remind the patient when it is time to take their medications, and provide the patient with reports on adherence history, symptom history and medication inventory;
- Developed an initial release of a secure cloud platform for storage and analysis of user study results;
- Developed design concepts to adapt the digital medication label for compatibility with medication blister packs

The consumer device launch is part of a path to market strategy that enables the Pharmatrac to be integrated with the dispensing process at the pharmacy. The 1st generation Pharmatrac is planned for commercial launch in 2020.

Glow Lifetech Ltd

On March 21, 2019, Relay and AgraFlora Organics International Inc. formed a private company, Glow Lifetech Ltd. Relay contributed a suite of technology assets to Glow relating to the development and licensing of cannabis related medical technologies including the cannabis Smart Consumption System for consideration of 6,250,000 common shares of Glow. AgraFlora contributed $200,000 in cash for consideration of 3,750,000 common shares of Glow. As a result, Relay holds approximately 62.5% of Glow and AgraFlora holds approximately 37.5% of the issued common shares of Glow. Relay will provide techno-commercial leadership and support for the venture that is pursuing technology opportunities in the medicinal cannabis and agrotechnology fields. In order to successfully commercialize/productize technologies and create significant sustainable value it is necessary to establish efficient working processes and an infrastructure that supports the team and operations required to execute. Through Glow, Relay now has the team and resources required to unlock that value and execute on its strategy in a meaningful way.

Highlights for the six months ended March 31, 2019 and Significant Subsequent Events

On December 13, 2018 the Company announced the appointment of John Soloninka as Senior Vice-President of Acquisitions and Exits and Yoav Raiter as Director of Product Development. The appointments have been made in support of the Company's multi-project integrated accelerator model.

On December 20, 2018, Relay and AgraFlora Organics International Inc. (CSE: AGRA) announced the formation of the private company Glow Life Technologies Ltd. To pursue medical related technology opportunities in the global cannabis sector. The newly formed entity is owned 50% by Relay Medical, 30% by AgraFlora Organics, who have committed to an initial investment of $200,000, and 20% by private investors who have committed $500,000 investment in Glow Life Technologies Ltd. with total initial funding of $700,000. The private investors have the right to exchange their shares of Glow Life into common shares of Relay after two years at a conversion price of $0.30 (if Glow Life has not been sold or is not publicly trading at that time).

On February 13, 2019, the Company announced the appointment of Paul Glavina as Vice President, In Vitro Diagnostics, of Relay Medical Corp. As Relay's Vice President, In Vitro Diagnostics (IVDs), he will be responsible for heading the company's evaluation, development, execution, and exit of innovative IVD technology opportunities, including the ongoing HemoPalm project.

On April 1, 2019 the Company announced the appointment of Messrs. Sid Thomas, Medhanie Tekeste and Greg Van Staveren to the Company's Board of Directors and the resignations of George Langdon, Richard Janeczko and W.Clark Kent. Mr. Kent will continue in his existing executive role with the Company.

On April 4,2019 the Company and AgraFlora Organics International Inc. announced the execution of a binding letter of intent ("LOI") to bring Glow LifeTech Ltd., the cannabis technology joint venture, public by way of reverse takeover. The LOI is to be followed by a formal definitive agreement with Ateba Resources Inc. whereby Ateba will acquire all the securities of Glow by way of a share exchange, amalgamation or other transaction, subject to the terms and conditions of the LOI. Pursuant to the terms of the Proposed Transaction, Ateba will change its name to Glow LifeTech Corp. As a result of the Proposed Transaction, Ateba will continue on with the business of Glow. Glow is responsible for a termination fee of $100,000 in the event Glow breaches the terms of the LOI.

On April 8, 2019 the Company announced the execution of an asset sale agreement to transfer a suite of technology assets including the cannabis Smart Consumption System to Glow LifeTech Ltd. Under the terms of the agreement, Relay has sold a suite of technology assets relating to the development and licensing of cannabis related medical technologies. In consideration, Glow has issued 6,350,000 shares to Relay resulting in Relay holding approximately 63.5% of Glow prior to the anticipated completion of a private placement and go-public transaction.

On May 14, 2019 the Company reported on technical advances of the Company's enhanced HemoPalm point-of-care (POC) testing platform as detailed above.

On May 16, 2019 the Company reported on Pharmatrac development activities and the commencement of a user study on the Pharmatrac in-home countertop medication appliance as detailed above.

On May 17, 2019 the Company closed a non-brokered private placement financing (the "Offering") for gross proceeds of $1,532,500 through the issuance of 7,662,500 Units (each,a "Unit") at a price of $0.20 per unit. Each Unit is comprised of: (i) one common share in the capital of the Company (each a "Common Share"); (ii) one Common Share purchase warrant (each, a " Warrant"). Each whole Warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.30 on or before November 17, 2020.

The Company continued ongoing HemoPalm development and commenced multiple research and analysis studies of the application and market in preparation of productization. Operationally the expansion led to the acceleration of software development activities managed by CTO Igal Roytblat and a revised HemoPalm Software Architecture built on a scriptable engine with visual authoring tools that enable an accelerated R&D cycle, critical for reducing time to market. The Company also announced the immediate mandate to accelerate the Company's QMS towards ISO 13485 compliance by Q2 2019.

Acquisitions

On May 23, 2018, the Company announced its first acquisition under its expanded business model. Relay acquired all of the issued and outstanding shares of UX Data Sciences Corp. Relay acquired UXD by the issuance of 15,280,139 common shares of the Company to the (now former) shareholders of UXD.

On March 21, 2019, Relay and AgraFlora Organics International Inc. formed a private company, Glow Lifetech Ltd. Relay contributed a suite of technology assets to Glow relating to the development and licensing of cannabis related medical technologies including the cannabis Smart Consumption System for consideration of 6,250,000 common shares of Glow. AgraFlora contributed $200,000 in cash for consideration of 3,750,000 common shares of Glow. As a result, Relay holds approximately 62.5% of Glow and AgraFlora holds approximately 37.5% of the issued common shares of Glow. Relay will provide techno-commercial leadership and support with AgraFlora Organic providing accumulated knowledge, expertise and access to cannabis industries for the venture that is pursuing technology opportunities in the medicinal cannabis and agrotechnology fields.

Funding

There were no private placements or exercise of warrants or options during the six months ended March 31, 2019, the Company's operations were funded by the proceeds of previous common share issuances. Subsequent to the quarter end the Company received $2,054,949 from a non brokered private placement and an HST refund.

On November 20, 2017, the Company closed a non-brokered private placement of 7,570,500 units at a price of $0.20 per unit for aggregate gross proceeds of $1,514,100. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.30 for a period of two years. Certain eligible persons were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such persons, totaling $39,538. Finders were also issued an aggregate of 197,640 broker warrants equal to 8% of the securities purchased by such subscribers. Each broker warrant entitles the holder thereof to purchase one common share at a price of $0.20 for a period of two years.

On August 3, 2018 the Company announced the issuance of 9,787,828 units for aggregate gross proceeds of $2,251,200. Each Unit is comprised of: (i) one common share in the capital of the Company (a "Common Share"); (ii) one-half (1/2) of one Common Share purchase warrant (each whole such warrant a "A Warrant"); and (iii) one-half (1/2) of one Common Share purchase warrant (each whole such warrant a " B Warrant"). Each whole A Warrant entitles the holder to purchase one additional Common Share at a price of $0.40 until February 3, 2020, and each whole B Warrant entitles the holder to purchase one additional Common Share at a price of $0.50 until February 3, 2020. Certain eligible persons (the "Finders") were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such Finder, totaling $31,924. Finders were also issued an aggregate of 138,800 finder warrants (the "Finder Warrants") to Finders, each Finder Warrant entitling the holder to acquire one Unit at a price of $0.23 for a period of eighteen months from the date of issuance.

On May 17, 2019 the Company closed a non-brokered private placement financing (the “Offering”) for gross proceeds of $1,532,500 through the issuance of 7,662,500 Units (each,a “Unit”) at a price of $0.20 per unit. Each Unit is comprised of: (i) one common share in the capital of the Company (each a “Common Share”); (ii) one Common Share purchase warrant (each, a “ Warrant”). Each whole Warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.30 on or before November 17, 2020.

For the year ended September 30, 2018, the Company also raised $1,748,292 through the exercise of options and warrants.

Selected Quarterly and Annual Information

The following table sets forth selected financial information for Relay Medical Corp. for the three and six months ended March 31, 2019. This information has been derived from the Company’s financial statements for the years and should be read in conjunction with financial statement and the notes thereto.

	For the three months ended March 31, 2019	For the three months ended March 31, 2018	For the six months ended March 31, 2019	For the six months ended March 31, 2018
Income	nil	nil	nil	nil
Expenses	1,272,537	2,279,337	2,556,958	4,043,974
Loss for the period	(1,272,537)	(2,279,337)	(2,556,958)	(4,043,974)
Loss per share	(0.01)	(0.03)	(0.02)	(0.05)
Total assets	4,853,819	7,315,004	4,853,819	7,315,004
Total Liabilities	438,357	542,584	438,357	542,584
Working capital	754,502	2,462,722	754,502	2,462,722

Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted earnings per share have not been calculated, as they would be anti-dilutive.

The following table sets forth selected financial information for Relay Medical Corp. for the years ended September 30, 2018, 2017 and 2016. This information has been derived from the Company's financial statements for the periods indicated and should be read in conjunction with audited financial statement and the notes thereto.

	Year Ended 30-Sep-18	Year Ended 30-Sep-17	Year Ended 30-Sep-16
Loss before non-operating income	$ 8,104,207	$3,880,397	$1,755,239
Loss before income taxes	8,104,207	3,880,397	1,755,239
Loss per common share, basic and diluted	(0.09)	(0.06)	(0.03)
Net and comprehensive loss	8,104,207	3,880,397	1,755,239
Net Loss per Common Share, Basic and Diluted	(0.09)	(0.06)	(0.03)
Weighted average number of shares outstanding	89,887,697	66,683,816	55,292,626
Total assets	7,315,004	2,282,763	2,560,744
Net working capital	2,462,722	424,589	(386,384)

For the three months ended March 31, 2019 and 2018

The net loss for the three months ended March 31, 2019 was $1,272,537, $0.01 per share (2018 $2,279,337, $0.03 per share).

	Three months ended		
	2019-03-31	2018-03-31	Variance
Share-based compensation	-	1,627,862	(1,627,862)
Consulting and management fees	527,091	182,371	344,719
Salaries and benefits	208,628	2,060	206,568
Product research and development costs	27,818	-	27,818
Patent amortization expense	330,931	163,356	167,575
Shareholder communications and marketing	28,285	150,311	(122,027)
Office, general and administrative	125,029	77,753	47,276
Depreciation	4,771	-	4,771
Provision for well abandonment costs	-	2,000	(2,000)
Professional fees	9,968	70,520	(60,552)
Transfer agent and filing fees	10,016	3,103	6,913
Net loss and comprehensive loss for the period	**1,272,537**	**2,279,337**	**(1,006,800)**

- Share-based compensation decreased due to timing of option grants.
- Consulting fees and management fees increased due to the increased number of projects underway and an increase in overall business activity
- Salaries and benefits increased due to the hiring of staff at the research laboratory
- Product research and development costs totaled increased due to the increased number of projects compared to the previous period.
- Patent amortization expense increased due to the amortization of the patents acquired in the UXD acquisition.
- Shareholder communications and marketing decreased due to additional investor relations activities in Canada, the US and Europe during the comparative quarter.
- Office, general and administration expense increased due to higher levels of business activity and the operation of the laboratory facility.
- Professional fees decreased due to varying levels of patent application and filing activities.

For the six months ended March 31, 2019 and 2018

The net loss for the six months ended March 31, 2019 was $2,556,958, $0.02 per share (2018 $4,043,974, $0.05 per share).

	Six months ended		
	2019-03-31	**2018-03-31**	**Variance**
Share-based compensation	-	2,429,976	(2,429,976)
Consulting and management fees	917,754	720,630	197,123
Salaries and benefits	313,765	2,060	311,705
Product research and development costs	142,796	-	142,796
Patent amortization expense	686,505	326,713	359,793
Shareholder communications and marketing	51,627	271,775	(220,148)
Office, general and administrative	342,071	168,470	173,601
Depreciation	4,771	-	4,771
Provision for well abandonment costs	-	2,000	(2,000)
Professional fees	84,169	119,248	(35,079)
Transfer agent and filing fees	13,501	3,103	10,398
Net loss and comprehensive loss for the year	**2,556,958**	**4,043,974**	**(1,487,016)**

- Share-based compensation decreased due to timing of option grants.
- Consulting fees and management fees increased due to the increased number of projects underway and an increase in overall business activity
- Salaries and benefits increased due to the hiring of staff at the research laboratory
- Product research and development costs totaled increased due to the increased number of projects compared to the previous period.
- Patent amortization expense increased due to the amortization of the patents acquired in the UXD acquisition.
- Shareholder communications and marketing decreased due to additional investor relations activities in Canada, the US and Europe during the comparative quarter.
- Office, general and administration expense increased due to higher levels of business activity and the operation of the laboratory facility
- Professional fees decreased slightly due to varying levels of patent application and filing activities.

Summary of Quarterly Results

The following table is a summary of selected unaudited financial information for the eight most recent fiscal quarters.

Quarter ended	Income	Net income (loss)	Net income (loss) per share
March 31, 2019	Nil	(1,272,537)	(0.02)
December 31, 2018	Nil	(1,284,421)	(0.02)
September 30, 2018	Nil	(2,085,206)	(0.03)
June 30, 2018	Nil	(1,975,027)	(0.05)
March 31, 2018	Nil	(2,279,337)	(0.02)
December 31, 2017	Nil	(1,764,637)	(0.02)
September 30, 2017	Nil	(1,504,928)	(0.01)
June 30, 2017	Nil	(673,579)	(0.01)

There can be significant variances in Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results.

Liquidity

The majority of financing of current operations is achieved by issuing share capital. As at March 31, 2019, the Company had cash of $374,989, receivables of $654,719, and prepaid expenses of $163,151. The Company had accounts payable and accrued liabilities of $438,357. The Company had a positive working capital of $754,502 at March 31, 2019. Subsequent to the quarter end the Company received $2,054,949 from a non brokered private placement and an HST refund. All of the Company's liabilities are due within the next fiscal year.

During the six months ended March 31, 2019 there were no equity transactions.

During the year ended September 30, 2018, the Company completed the following equity transactions;

i. On November 20, 2017, the Company closed a non-brokered private placement of 7,570,500 units at a price of $0.20 per unit for aggregate gross proceeds of $1,514,100. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.30 for a period of two years. Certain eligible persons were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such persons, totaling $39,538. Finders were also issued an aggregate of 197,640 broker warrants equal to 8% of the securities purchased by such subscribers. Each broker warrant entitles the holder thereof to purchase one common share at a price of $0.20 for a period of two years.

ii. On August 3, 2018 the Company announced the issuance of 9,787,828 units at a price of $0.23 for aggregate gross proceeds of $2,251,200. Each Unit is comprised of: (i) one common share in the capital of the Company (a "Common Share"); (ii) one-half (1/2) of one Common Share purchase warrant (each whole such warrant a "A Warrant"); and (iii) one-half (1/2) of one Common Share purchase warrant (each whole such warrant a " B Warrant"). Each whole A Warrant entitles the holder to purchase one additional Common Share at a price of $0.40 until February 3, 2020, and each whole B Warrant entitles the holder to purchase one additional Common Share at a price of $0.50 until February 3, 2020. Certain eligible persons (the "Finders") were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such Finder, totaling $31,924. Finders were also issued an aggregate of 138,800 finder warrants (the "Finder Warrants") to Finders, each Finder Warrant entitling the holder to acquire one Unit at a price of $0.23 for a period of eighteen months from the date of issuance.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. During the six months ended March 31, 2019 the company paid $456,561 of consulting and management fees as key management personnel compensation.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements, other than previously disclosed, that has, or is reasonably likely to have, an impact on the current or future results of operations or the financial condition of our company.

Critical Accounting Policies and Estimates

Significant accounting judgments and estimates

The preparation of these consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Share based payments and warrants
The fair value of stock options and warrants issued are subject to the limitation of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Useful life of intangible assets
Management has exercised their judgment in determining the useful life of its patents, patent applications and research and development costs. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the market place.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency
In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management has determined that the functional currency of the Company is the Canadian dollar.

Evaluation of going concern
The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

Impairment of intangible assets
Management has exercised their judgment in determining if the patents are impaired. The judgment is based on the expected future benefit of the intangible assets.

Income taxes
Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

Acquisition of an asset or business combination
In accordance with IFRS 3, management has exercised their judgment in determining the acquisition of UX Data Sciences Corp. and Glow Lifetech Ltd. was considered an asset acquisition as it did not meet the definition of a business.

RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective up to the date of issuance of these financial statements are listed below. This list is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 16 Leases. IFRS 16 was issued on January 13, 2016. The new standard brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of this standard.

Risks and Uncertainties

History of Losses – The Company has been in a cumulative net loss position throughout its operating history. The Company's limited operating history makes it difficult to evaluate the future financial prospects of its business. There is no assurance that the Company will grow or be profitable or that the Company will have earnings or significant improvement in its cash flow from operations in the future. The future earnings on and cash flow from operations are dependent on the Company's ability to further develop and sell its products and the Company's operational expenses. Management expects that the Company will continue to have high levels of operating expenses, since the Company needs to make significant up-front expenditures for product development, and corporate development activities. Management anticipates that the operating losses for the Company may continue until such time as the Company consistently generates sufficient revenues to support operations.

Need for Additional Financing - The implementation of the Company's business plan requires significant capital outlays and operating expenditures over the next several years. There can be no assurance that additional financing will be available to the Company when needed, on commercially reasonable terms, or at all. Any inability to obtain additional financing when needed would have a material adverse effect on the Company. Further, any additional equity financing may involve substantial dilution to the Company's then existing shareholders. Debt financing, if available, may involve onerous obligations, monetary or otherwise. If adequate funds are not available, the Company may obtain funds through arrangements with strategic partners or others who may require the Company to relinquish rights to certain technologies, any of which could adversely affect its business, financial condition and results of operations.

Product Risks

Uncertain Demand for Products - Demand for medical technologies is dependent on a number of social, political and economic factors that are beyond the control of the Company. The healthcare industry is likely to continue to change as the public, government, medical practitioners, and the medical industries focus on ways to expand medical coverage while controlling the growth in healthcare costs. While the Company believes that demand for medical technologies will continue to grow, there is no assurance that such demand will exist or that the Companies products will be purchased to satisfy that demand.

Dependence on Development of New Products - New technological or product developments in the medical industry may render the Company's products obsolete or reduce their value. The Company's future prospects are highly dependent on its ability to develop new products - from new technologies and achieve market acceptance. There can be no assurance that the Company will be successful in these efforts.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by investing its cash equivalents with Canadian chartered banks.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

In accordance with the Canadian Securities Administrators National Instrument 52-109 ("NI 52-109"), Certification of Disclosure in Issuers' Annual and Interim Filings, the Company has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, report on the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

The Company continues to review and document its disclosure controls and procedures and internal controls over financial reporting and may, from time to time, make changes aimed at enhancing their effectiveness and to ensure that its systems evolve with the business. There were no changes in the Company's internal controls over financial reporting during the year ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, its disclosure controls and procedures and internal controls over financial reporting.

Share Data

As at March 31, 2019 there were 113,187,191 shares issued and outstanding and 20,252,768 warrants outstanding. As at May 24, 2019, there were 120,849,691 shares issued and outstanding and 27,915,268 warrants outstanding

Options – As at March 31, 2019 there were 16,309,500 options outstanding at an average exercise price of $0.25. As at May 24, 2019 there were 16,309,500 options outstanding at an average exercise price of $0.25.

"Lahav Gil "
Chief Executive Officer
May 24, 2019