Relay Medical Presents Pharmatrac Countertop Medication Device; Provides Development Update

Toronto, Ontario--(Newsfile Corp. - February 18, 2020) - Relay Medical Corp. (CSE: RELA) (OTCQB: RYMDF) (FSE: EIY2) ("**Relay**" or the "**Company**"), an engine for MedTech innovation, is pleased to provide an update on Pharmatrac development activities and present the Pharmatrac Countertop Medication Device.

The Pharmatrac System is being developed to offer sophisticated solutions to improve medication management for patients, caregivers and other stakeholders in the healthcare environment. The system operates on a robust data-analytics driven software infrastructure with multiple user-facing smart hardware devices designed to bridge gaps in the consumer-medication-practitioner chain.

The Countertop Device concept was initially conceived following the completion of user studies conducted to understand how patients interact with long term and acute-use medications in the home. The studies found that users tend to pre-cluster medication, either in a cup, bowl, hand, or on a countertop or placemat, regardless of how the medications and supplements are stored and organized.

The Pharmatrac Countertop Device uses machine learning and AI to count and identify medications that are clustered in the device prior to consumption by the patient to track medication use for caregivers, practitioners and patients. The ability to view/monitor when and what medications are taken provides unique insight into a previously unknown aspect of medication adherence: the behaviour of medication users inside their homes.

VIDEO: Pharmatrac Medication Management - Countertop Medication Device Demonstration <u>https://www.youtube.com/watch?v=uzNPWN-a_xM&feature=youtu.be</u>

Relay has produced an initial batch of the Pharmatrac Countertop Device for ongoing user studies and application testing. Several devices have already been deployed to study users and potential strategic relationships in the marketplace.



Figure 1: Pharmatrac Countertop Device and Caregiver App

To view an enhanced version of Figure 1, please visit: https://orders.newsfilecorp.com/files/952/52529_91135f47e4cab8c2_001full.jpg



Figure 2: Pharmatrac Countertop Devices for User Studies

To view an enhanced version of Figure 2, please visit: <u>https://orders.newsfilecorp.com/files/952/52529_91135f47e4cab8c2_002full.jpg</u>



Figure 3: TUV Electrical Certification of Special Inspection

To view an enhanced version of Figure 3, please visit: <u>https://orders.newsfilecorp.com/files/952/52529_91135f47e4cab8c2_003full.jpg</u>

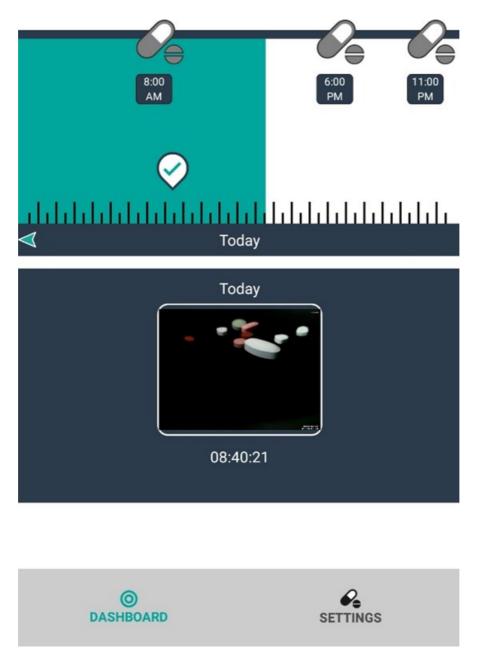


Figure 4: Pharmatrac Caregiver App

To view an enhanced version of Figure 4, please visit: https://orders.newsfilecorp.com/files/952/52529_91135f47e4cab8c2_004full.jpg

The Pharmatrac Countertop Device connects wirelessly by Bluetooth and wifi to track and record patient interactions with prescribed medications and supplements. The device consists of a detachable bowl with an integrated camera and sensors which assess use and monitor patient interaction. The companion app is securely connected to the device and allows caregivers, practitioners and users to monitor medication protocol. App users can monitor medication use to the minute and access records of previous days to review how well the medication users have been adhering to their medication schedule.

The data collected through the Pharmatrac Countertop Device is analyzed by Relay Medical's machine vision/machine learning algorithms which are used to generate insights into the medication user's behaviour and habits including: instances where the medication was not taken as per the protocol and details of these anomalies, statistics such as adherence to protocol, trends for when the medication user takes the medication, etc.

Relay Medical will be continuing iterations of the user studies in order to refine the design and functionality for seamless integration for single caregiver/consumer use, connected telemedicine applications and pharmaceutical clinical trial use. This

includes further development of the mobile and desktop apps, cloud and API, improving the machine vision and machine learning algorithms, updating the hardware to reduce BOM cost and updating the Device design.

Pharmatrac Market

Relay Medical believes that the flexibility of the Pharmatrac uniquely positions the system to make a meaningful impact in multiple markets related to medication adherence and data validation.

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.

The number of prescriptions have risen by approximately 85% since 1997(1) to an estimated 4.5 billion prescriptions a year in the United States and while seniors make up only 12% of the population they account for over 30% of all over-the-counter medication use(2). Individuals have a difficult time managing their medications which results in avoidable hospital admissions, in 2014 nearly 1.3 million US citizens sought emergency room treatment for adverse drug effects and approximately 124,000 died. (1)

In North America it is estimated that patient compliance and medication adherence is less than 50%(3) which means more than half of patients/consumers are likely to improperly take or skip medications, appointments, and other treatment protocols.

In 2018, the telemedicine market size was valued at \$31.46 Billion USD globally, and it is expected to reach \$108.08 Billion USD by 2025 (<u>https://reports.valuates.com/market-reports/QYRE-Othe-2M208/global-telemedicine-market</u>). This growth will be driven by advances in technology, demand for better healthcare in rural areas and the increased prevalence of chronic diseases.

Prescription drug expenditure in the United States in 2019 was estimated at over \$360 Billion USD. (<u>https://www.statista.com/statistics/184914/prescription-drug-expenditures-in-the-us-since-1960/</u>)

Footnotes 1 Source: Consumer Reports (2017) 2 Source: APHA (2010) 3 Source: The World Health Organization (2003)

Other Business

The Company announces that it has granted an aggregate of 10,000,000 options to purchase common shares of the Company exercisable at a price of \$0.20 per common share and expiring on February 19, 2025, to certain directors, employees, officers and consultants of the Company.

About Relay Medical Corp.

Relay Medical is an evolving "Integrated Medtech Accelerator" headquartered in Toronto, Canada, advancing multiple opportunities for commercialization within a resource efficient infrastructure. Relay is also actively dedicated to scouting and reviewing strategic acquisitions complimentary to current infrastructure assets and intends to grow as a leading engine for MedTech innovation in the health technologies marketplace.

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Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the commercialization plans for the HemoPalm product described in this news

release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which filings are available at www.sedar.com



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