Relay Medical Corp.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Expressed in Canadian Dollars)

Dated January 31, 2021

Management's Discussion and Analysis of Operations
For the year ended September 30, 2020

This Management's Discussion and Analysis ("MD&A) is prepared as January 31, 2021 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 year ended September 30, 2020 has been prepared to help investors understand the financial performance of Relay Medical 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 MedTech opportunities for 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 and development 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 multiple projects, 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. 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.

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, building relevant infrastructure, completing successful financings, establishing Glow LifeTech Ltd. as a separate operating entity and advancing commercial strategies.

During the year, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by Canadian government regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the Coronavirus outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the impact to date has been manageable and the company will continue to be in operations.

Fionet Rapid Response Group

The Fionet Rapid Response Group will enable mass distributed testing and automated aggregation, triage, and tracking to contain COVID-19, for deployment by public health agencies, retail health providers and private sector companies in Canada, the United States, Europe, Africa, and elsewhere.

The combined capabilities of the JV significantly strengthens Fio's ability to rapidly advance and pursue commercial opportunities related to its technology, which has been proven on more than one million cases in over a dozen countries for managing community-based RDT testing, triage, and tracking outbreaks of high-consequence infectious diseases, such as malaria, HIV, dengue, and Ebola, and has been further validated by several dozen publications in scientific journals.

In preparing for the JV, the two companies have already defined a technical, regulatory, and production plan to support the sales pipeline that Fio has developed in parallel. Drawing on resources from both Relay and Fio, the JV will provide a collective infrastructure of personnel and facilities to focus on customizing Fionet for COVID-19 test-triage-track regimes using approved third-party rapid diagnostic tests (RDT), and on connectivity to molecular tests (such as PCR). The JV will ensure that these applications are compliant with FDA, Health Canada, and other international medical device standards. The JV will also include the integration of compatible and complementary assets such as machine vision, AI and cloud processing from Relay's portfolio including HemoPalm Corp. and Pharmatrac technologies, to extend Fio's data-device platform. Rapid diagnostic tests (RDTs) are being approved to detect active infections by targeting antigens of the COVID-19 virus and to detect past infections and immune response by targeting specific antibodies. These tests can be manufactured in high volumes and provide results on the spot. When combined with the AI-based quality control and automated interpretation of Fionet devices, such tests provide fast accurate results that are instantly transmitted to a cloud and distributed to public health and other stakeholders responsible for managing the pandemic. Given the importance of the data, tools which can help assure

diagnostic accuracy and collate results are needed to facilitate safe and effective mass testing of the population for disease presence and exposure.

The JV has commenced operations of the Fionet Rapid Response Group ("FRR") to bring a new COVID-19 mobile testing and tracking platform to market. FRR is now in negotiation for trial deployments with several potential partners. Fionet is a mobile testing and tracking platform specifically developed for controlled, rapid response to pandemics. The platform combines handheld devices linked to online AI-powered cloud, automating frontline testing and capturing test results for tracking. Fionet's rugged, mobile devices are compatible with multiple third-party antigen and antibody COVID-19 rapid diagnostic tests (RDTs), which creates sourcing flexibility for RDTs which are of limited supply and continuously evolving. Fionet also connects with molecular testing devices such as PCRs.

HemoPalm and Related CO-oximetry Technologies

HemoPalm 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.

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 currently has a techno-commercial team actively focused on the HemoPalm project.

UXD Acquisition and Pharmatrac

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. 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.

Following user study analysis, the team developed 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 medication appliance is connected to Relay's cloud system and caregivers are being reported about the patient's medication consumption via dedicated app (developed for both Android and IOS operating systems) or email.

The medication appliance has unique offerings to the growing Telemedicine market and will allow physicians to view medication adherence issues of patients and recommend on medication protocol changes.

The Company sold to Glow LifeTech Ltd. a suite of technology assets and licenses related to the UXD acquisition. Relay continues to haverights to the use of these assets and sees future value from the development and application of these technologies to its product portfolio as well as benefiting as a major shareholder of Glow from the advances Glow makes.

Glow Lifetech Ltd

In 2019, Relay and AgraFlora Organics International Inc. formed a private company, Glow Lifetech Ltd. Relay has provided techno-commercial leadership and support for the venture that is pursuing technology opportunities in the medicinal cannabis, agrotechnology and other related industries. 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 twelve months ended September 30, 2020 and Significant Subsequent Events

On October 25, 2019 the Company, announced that it extended the expiry date of an aggregate of 7,370,500 previously issued warrants at an exercise price of $0.30 for an additional twelve (12) months. The exercise price of the Warrants will remain unchanged.

In early March, Relay Medical announced the signing of an agreement whereby Glow LifeTech Ltd. would acquire the exclusive North American rights for the manufacturing and sales of MyCell InsideTM advanced encapsulation technology (the "Technology") from Swiss PharmaCan AG for cannabinoids and select nutraceuticals. As Glow, the companies will maintain an ongoing, collaborative working relationship, providing support with ongoing studies, regulatory approvals and access to a pipeline of future product innovations. The technology allows Glow to formulate cannabinoids and nutraceuticals with dramatically improved absorption, fast-acting onset, precise dosing and superior health benefits, using all-natural ingredients, to meet the growing demands for next generation value-add products. Glow LifeTech's initial focus is to bring the technology's most popular, natural, and relevant enhanced bio-active vitamins, supplements, and cannabis compounds to the North American marketplace. Glow will offer pure and hybrid products as part of commercialization efforts, subject to relevant legal and regulatory requirements in applicable jurisdictions. As of September 30, 2020, Relay owns approximately 22% of Glow LifeTech.

On March 5, 2020, the Company announced the development of an application programing interface (API) for its Pharmatrac Medication Management System. With this development the Company is now poised for strategic integration with partners in the telemedicine and medication management markets. The Pharmatrac API allows 3rd party mobile apps, devices and services to connect to the Medication Management System, and query for data and insights generated by Relay Medical's artificial intelligence (AI) driven algorithms. With this advancement the Company

is now able to integrate its technologies with strategic partners for value added applications and the commercialization of Pharmatrac devices including the Countertop Medication Device. Relay Medical is now ready for API integration testing with partners and the API continues to be updated as development progresses.

On April 8, 2020, the Company announced further updates on cybersecurity protection on its HemoPalm Corp. devices and the collaboration with world-class cybersecurity company Cybeats Technologies Inc. While the interconnectivity of medical devices like the HemoPalm has the potential to greatly improve patient care and system efficiencies, there is also an increased risk of security breaches that could impact not only the safety and effectiveness of devices, but also breach patient privacy or access an institution's local network. Relay Medical is pleased to report on a collaboration with Internet of Medical Things (IoMT) cybersecurity company Cybeats Technologies Inc. to establish protection, monitoring and auditing of cybersecurity for the HemoPalm device suite. The Cybeats Sentinel has been incorporated into the core system of the HemoPalm-CX prototype devices and provides them with cyber threat screening and defense in-depth.

On August 19, 2020, Relay announced the establishment of a joint venture ("JV") to accelerate adaption and delivery of Fio's proven data-and-device platform, Fionet, as a COVID-19 pandemic testing, data collection and reporting solution. The JV will operate under the name "Fionet Rapid Response Group" and be headquartered in Toronto, Canada. Relay and Fio previously announced the signing of a Memorandum of Understanding May 15, 2020. The Fionet Rapid Response Group will enable mass distributed testing and automated aggregation, triage, and tracking to contain COVID-19, for deployment by public health agencies, retail health providers and private sector companies in Canada, the United States, Europe, Africa, and elsewhere. The combined capabilities of the JV significantly strengthens Fio's ability to rapidly advance and pursue commercial opportunities related to its technology, which has been proven on more than one million cases in over a dozen countries for managing community-based RDT testing, triage, and tracking outbreaks of high-consequence infectious diseases, such as malaria, HIV, dengue, and Ebola, and has been further validated by several dozen publications in scientific journals.

On August 27, 2020, the Company announced the commencement of operations of the Fionet Rapid Response Group (“FRR”) to bring a new COVID-19 mobile testing and tracking platform to market. FRR is now in negotiation for trial deployments with several potential partners. Relay and Fio previously announced a joint venture on August 19, 2020 to rapidly launch and deploy a new COVID-19 testing, data collection and reporting solution. The JV operates under the name “Fionet Rapid Response Group” and is headquartered in Toronto. Fionet is a mobile testing and tracking platform specifically developed for controlled, rapid response to pandemics. The platform combines handheld devices linked to online AI-powered cloud, automating frontline testing and capturing test results for tracking. Fionet’s rugged, mobile devices are compatible with multiple third-party antigen and antibody COVID-19 rapid diagnostic tests (RDTs), which creates sourcing flexibility for RDTs which are of limited supply and continuously evolving. Fionet also connects with molecular testing devices such as PCRs.

The Company announced the Pharmatrac Countertop Medication Device that 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 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. In connection with the device a patent entitled Clustering Station, System, and Method for Alert Scheduling, for its Pharmatrac System has been filed. The patent is now pending in 153 countries and regions around the world. The patent's main claims cover the Pharmatrac System's counter-top medication device that has been designed to allow patients to interact with medications with minimal modification to their current behavior and simultaneously introduce value-add features to reduce patient and caregiver confusion around medication adherence.

The Company announced the completion of the HemoPalm-CXTM, a proof-of-principle prototype compact POCT instrument that directly measures five CO-oximetry components from human whole blood. The system uses proprietary optics and data analysis technology developed by the Company's HemoPalm diagnostics division. Relay's HemoPalm-CX technology enables the direct measurement of unprocessed whole blood, without the need for red blood cell hemolysis as found in some larger benchtop systems (and not available in current handheld devices).

On August 31, 2020, the Company announced signing with distribution partners in the U.S. and France for the Fionet Mobile COVID-19 Testing and Tracking Platform to be marketed to pharmacies. Pharmacies are community-based and thereby access the vast majority of the population; they are approximately 10x more numerous than clinics; and France, the UK, and the U.S. have already legalized COVID testing in pharmacies, and other countries are following suit. Pharmacies are well-positioned to deliver effective mass testing and triage and for safe return to work programs.

On September 4, 2020 Relay provided an update regarding steps that Health Canada was implementing in support of the COVID response by the government and the suitability of the Fio solution. Health Canada has taken steps moving toward mass distributed testing using rapid diagnostic tests which are compatible with the Fio solution. Fionet Devices, usable by non-expert personnel, enables lab-grade diagnostic testing in pharmacies, workplaces, airports, clinics, nursing homes and other community-based locations. Simultaneously, Fionet Cloud relays real-time data for remote oversight of frontline testing activities and results Fionet is compatible with rapid diagnostic tests (RDTs) from multiple suppliers, enabling agile testing programs and reducing supply chain constraints for RDTs.

On September 17, 2020 Relay announced the closing of a non-brokered private placement financing for gross proceeds of $1,833,316 through the issuance of 10,185,089 units at a price of $0.18 per unit. Each unit is comprised of: (i) one common share in the capital of the Company (ii) one Common Share purchase warrant. Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.20 on or before September 17, 2022.

On October 2, 2020 Relay Medical announced a high-volume manufacturing partner for its COVID-19 Mobile Testing Device, Fionet. The Fionet pandemic response devices will be produced by US-based, FDA-approved, high-volume contract manufacturer, KeyTronic, which is now creating a Fionet device assembly line. KeyTronic offers turnkey services and global reach and is already producing other COVID-related medical devices.

On November 5, 2020 the Company announced that it intended to extend the expiry date of an aggregate of 7,662,500 previously issued warrants on May 17, 2019 at an exercise price of $0.30

for an additional ninety days, being February 15, 2021. In addition, the Company announced that it intended to extend the expiry date of an aggregate of 7,570,500 previously issued warrants on November 20, 2017 at an exercise price of $0.30 for an additional ninety days, being February 18, 2021. The exercise price of the May Warrants and the November Warrants will remain unchanged.

On December 8, 2020, the Company announced a sales agreement with the U.S. Government, through the U.S. Agency for International Development (USAID), to deploy FRR's Fionet Pandemic Platform to over 100 community-based healthcare sites in Africa. Under the terms of the engagement, the Fionet Platform will be deployed at over 100 community-based healthcare sites, supporting widespread rapid testing, triage and real-time tracking of infectious disease for a contract value of approximately CAD $330,000. Fionet mobile devices will guide or automate frontline healthcare activity, while continuously capturing and transmitting comprehensive frontline data. Meanwhile, in real time, Fionet Portals enable off-site supervisors to track and direct frontline action, and display real time epidemiological information. With a budget of nearly $20B/year, USAID is the largest aid agency in the world, and accounts for more than half of all U.S. foreign assistance.

On January 14, 2021 Relay Medical and Glow LifeTech reported on the successful Phase II Clinical Results for COVID-19 its treatment candidate based On Its MyCell Technology™. Glow LifeTech has the exclusive rights for MyCell Technology™ in the United States, Canada and Mexico for one of the primary ingredients used in ArtemiC™, a COVID-19 Treatment Candidate with successful Phase II Clinical Results. The formulation statistically significantly improved the clinical recovery of COVID-19 patients in the treatment group in comparison with placebo and 100% of the patients in the treatment group fully recovered within 15 days. Positive results from a phase II double blind randomized controlled clinical trial show the MyCell Technology™ ArtemiC™ formulation, successfully met the primary and secondary endpoints for safety and efficacy. ArtemiC™ is a natural anti-inflammatory formulation by Glow partner Swiss PharmaCan and MGC Pharma, intended to suppress cytokine storm and clinical deterioration prevention to support the recovery of COVID-19 patients. These results demonstrate the major health impact offered by MyCell Technology™ and open potential market opportunities for ArtemiC™, and its component MyCell ingredients to a wide range of diseases related to cytokine storm such as influenza, autoimmune diseases, inflammatory GI diseases and chemotherapy patients.

On January 20, 2021 Relay announced the launch of its high-throughput COVID-19 rapid testing solution, using its Fionet technology, to administer on-site COVID-19 rapid testing and real-time tracking in high-volume settings like airports, sports & entertainment events, workplaces and schools. Fionet's high-throughput modular configuration is capable of processing up to 100 COVID-19 rapid antigen tests per hour with only 2 Fionet devices and 2 personnel, and can easily be scaled into the 1000s per hour with additional devices & personnel. The solution is well positioned to support the growing demand for high-volume testing solutions for airports, sports & entertainment events, workplaces, schools, etc. This solution is designed to turn around tests in as little as 20 minutes and requires a small physical footprint to allow processing at the point of sample collection. A growing body of research demonstrating the feasibility of using rapid antigen tests in airports including recent positive interim results from WestJet-YVR COVID-19 rapid testing study, where results indicate that a rapid antigen testing approach is feasible for use in departing air travellers.

In January of 2021, the Company completed a private placement 42,862,500 units at a price of $0.20 per unit for gross proceeds of $8,572,500. Each unit consisted of one common share in the capital of the company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.30 for a period of 18 months from the date of the offering. In connection with the offering, the Company paid cash commissions of $116,440 and issued 582,280 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company at a price of $0.30 for a period of 18 months from the date of issuance.

Highlights for the year ended September 30, 2019

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 another party 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 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 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.

On June 27, 2019, the Company reported on extensions to the Pharmatrac platform to address the challenge of tracking expensive medications that are compromised if not properly stored, the accommodation of alternate packaging such as blister packs and the completion of a Pharmatrac Plug 'n' Play (PnP) prototype.

On July 2, 2019, the Company announced the acquisition of rights to a medical-grade cloud software platform, from Fio Corporation, which develops sophisticated healthcare IT solutions for decentralized and mobile settings. The software, to be marketed as Relay MedNet, has been acquired for an upfront cash payment of $80,000 and a royalty to be paid on sales by Relay.

On August 9, 2019, the Company completed the second tranche of the private placement financing (the "Offering") for gross proceeds of $542,000 through the issuance of 2,710,000 Units (each, a "Unit") at a price of $0.20 per unit. The aggregate gross proceeds raised pursuant to the first and second tranches of the Offering was $2,074,500 through the issuance of 10,372,500 Units. 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 February 9, 2021. Gross proceeds raised from the Offering will be used for working capital and general corporate purposes. 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 and also issued an aggregate of 68,800 finder warrants (the "Finder Warrants") to Finders, each Finder Warrant entitling the holder to acquire one Unit at a price of $0.20 for a period of eighteen months from the date of issuance.

Funding

The Company's operations were funded by the following;

i. On January 29, 2020, the Company announced that the Company completed a financing of $945,000 through the issuance of secured convertible debentures. The Debentures will mature on the first anniversary of issuance and bear interest at a rate of ten percent (10%) per annum which shall accrue from the date the Debentures are issued until the Maturity Date. Each Debenture shall be convertible into common shares in the capital of the Company at a price of $0.18 per Common Share. The lender will also receive a half of a Common Share purchase warrant (each, a "Debenture Warrant") for each $0.18 principal amount of the Debentures, resulting in an aggregate of 2,625,001 Debenture Warrants being issued. Each Debenture Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.23 per Common Share for a period of two years from the date of issuance. In connection with the Offering, certain shareholders of the Company agreed to loan 5,250,000 free-trading Common Shares to the holders of the Debentures, in exchange for a half of a Common Share purchase warrant (each whole warrant, a "Warrant") for each Common Share. Each whole Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.20 per Common Share for a period of two years from the date of issuance. In connection to the Offering, finder's fees were paid equal to 8% of the proceeds raised and an aggregate of 420,000 finder warrants (the "Finder Warrants") were issued to the Finder, each Finder Warrant entitling the holder to acquire one Common Shares at an exercise price of $0.18 per Common Share for a period of two years from the date of issuance.
ii. On May 29, 2020, the Company announced the closing of a non-brokered private placement financing of gross proceeds of $639,500 through the issuance of 3,552,777 units at a price of $0.18 per unit. Each unit is comprised of: (i) one common share in the capital of the Company; (ii) one common chare purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.20 on or before May 29, 2022. Certain eligible persons were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such finder totalling $7,461 and also issued an aggregate of 41,200 finder warrants to the finders. Each Finder Warrant entitling the holder to acquire one Common Share at a price of $0.20 for a period of twenty-four months from the date of issuance.
iii. On June 12, 2020, 450,000 shares were issued on the exercise of stock options at an exercise price of $0.20 for gross proceeds to the Company of $90,000.
iv. During the September 30, 2020 fiscal year, a total of 7,148,797 common shares fair valued at $1,469,472 were issued to various debt holders in settlement of amounts payable totaling $1,308,850. In connection with the debt settlements, a loss on

settlement of debt was recognized in the statement of loss and comprehensive loss for the September 30, 2020 fiscal year totaling $160,622.

v. On January 22, 2021, the Company announced that further to its press releases of December 18, 2020, January 8, 2021 and January 15, 2021, the Company had completed the third and final tranche of its non-brokered private placement financing through the issuance of 3,862,500 units at a price of $0.20 per Unit for gross proceeds of $772,500. The aggregate gross proceeds raised pursuant to the offering is $8,572,500 through the issuance of 42,862,500 units. Each unit is comprised of: (i) one common share in the capital of the Company; and (ii) one common share purchase warrant. Each warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.30 on or before July 22, 2022.

Selected Quarterly and Annual Information

The following table sets forth selected financial information for Relay Medical Corp. for the three and twelve months ended September 30, 2020. 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 September 30, 2020	For the three months ended September 30, 2019	For the twelve months ended September 30, 2020	For the twelve months ended September 30, 2019
Expenses	1,781,172	1,479,959	7,119,077	8,091,108
Loss for the period	(1,781,172)	(1,479,959)	(7,119,077)	(8,091,108)
Loss per share	(0.02)	(0.02)	(0.05)	(0.07)
Total assets	2,850,473	2,530,610	2,850,473	2,530,610
Total Liabilities	1,979,243	1,121,500	1,979,243	1,121,500
Working capital	(25,304)	(272,784)	(25,304)	(272,784)

The following table sets forth selected financial information for Relay Medical Corp. for the years ended September 30, 2020, 2019 and 2018. 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-20	Year Ended 30-Sep-19	Year Ended 30-Sep-18	Year Ended 30-Sep-17
Loss before non-operating income	$ 7,119,077	$ 8,091,108	$ 8,104,207	$ 3,880,397
Loss before income taxes	7,119,077	8,091,108	8,104,207	3,880,397
Loss per common share, basic and diluted	(0.05)	(0.07)	(0.09)	(0.06)
Net and comprehensive loss	7,119,077	8,091,107	8,104,207	3,880,397
Net Loss per Common Share, Basic and Diluted	(0.05)	(0.07)	(0.09)	(0.06)
Weighted average number of shares outstanding	130,890,338	116,746,941	89,887,697	66,683,816
Total assets	2,850,473	2,530,610	7,315,004	2,282,763
Net working capital	(25,304)	(272,784)	2,462,722	424,589

For the three months ended September 30, 2020 and 2019

The net loss for the three months ended September 30, 2020 was $1,781,172 (includes non-cash expenses of $1,536,369) equal to $0.02 per share (2019 $3,876,834, $0.01 per share).

	Three months ended		
	2020-09-30	2019-09-30	Variance
Non-cash - Share-based compensation	$ 688,787	475,697	$ 213,090
Consulting and management fees	758,280	642,582	115,698
Salaries and benefits	106,141	282,231	(176,090)
Product research and development costs	(773,670)	137,072	(910,742)
Non-cash - Patent amortization expense	(56,145)	186,979	(243,124)
Shareholder communications and marketing	299,286	55,835	243,451
Office, general and administrative	192,512	(55,516)	248,028
Non-cash - Depreciation	41,586	148,470	(106,884)
Professional fees	33,625	117,076	(83,451)
Transfer agent and filing fees	(16,370)	10,578	(26,948)
Impairment loss on intangible assets	-	2,645,558	(2,645,558)
Non-cash Loss on investment in associate	373,749	110,393	263,356
Loss on recognition of sub lease	-	5,276	(5,276)
Dilution gain on reduction of ownership in associate	(197,410)	(1,034,843)	837,433
Interest and accretion	304,417	74,723	229,694
Loss on Settlement of Debt	160,622	74,723	85,899
Government grant revenue	(434,238)	-	(434,238)
Services to associate expense recovery	300,000	-	300,000
Net loss and comprehensive loss	**1,781,172**	**3,876,834**	**(2,395,661)**

- Share based compensation increased due to the timing and magnitude of stock option grants and the vesting periods associated with past grants and represents a non-cash item.
- Consulting and management fees increased due to increased activities from the Fionet JV.
- Salaries and benefits decreased due to cost containment efforts and a reduction in salaried employees.
- Product research and development costs increased due to the increased direct expenses and increased resources both allocated to specific projects compared to the previous period.
- Amortization expense decreased due to the revaluation of some of the intangible assets held at September 30, 2019 and represents a non cash item.
- Shareholder communications and marketing increased in the quarter due to increased marketing efforts in North America and Europe.
- Office, general and administration expense decreased due to cost reduction efforts across the business.
- Depreciation relates to the conversion to IFRS 16 Leases and the depreciation of office and laboratory facilities that were previously charged as rent expense and represents a non-cash item.
- Professional fees decreased due to varying levels of patent application, corporate development, fund raising and other activities that can vary greatly quarter to quarter.

- Loss on investment in associate relates to Relay's share of expenses incurred in Glow LifeTech Ltd. which did not in the comparative period and represents a non-cash item.
- The increase in interest and accretion relates to the application of IFRS16 – Leases for the current quarter which was not applied to the comparative quarter.
- The increase in loss on settlement of debt was due to no settlement of debt in the prior year.
- Government grant revenue increased due to the availability of economic support programs during COVID-19.
- The expenses recovery from associate relates to the fees charged to Glow LifeTech for items such as rent, management fees and travel costs. The amount was reclassified during the quarter.

For the twelve months ended September 30, 2020 and 2019

The net loss for the year ended September 30, 2020 was $7,119,077 (includes $3,480,166 in non-cash charges) equal to $0.05 per share (2019 $8,091,108, $0.07 per share).

	Twelve months ended		
	2020-09-30	2019-09-30	Incr/(Decr)
Non-cash - Share-based compensation	$ 2,264,106	$ 475,697	$ 1,788,409
Consulting and management fees	1,603,615	1,771,512	(167,897)
Salaries and benefits	573,881	927,842	(353,961)
Product research and development costs	669,863	912,817	(242,954)
Non-cash - Patent amortization expense	259,645	1,020,174	(760,529)
Shareholder communications and marketing	615,808	183,832	431,976
Office, general and administrative	317,502	529,620	(212,118)
Non-cash - Depreciation	146,630	156,896	(10,266)
Professional fees	194,248	301,033	(106,785)
Transfer agent and filing fees	9,002	10,578	(1,576)
Impairment loss on intangible assets	-	2,645,558	(2,645,558)
Non-cash Loss on investment in associate	572,488	110,393	462,095
Loss on recognition of sub lease	-	5,276	(5,276)
Dilution gain on reduction of ownership in associate	(197,410)	(1,034,843)	837,433
Interest and accretion	363,315	74,723	288,592
Loss on Settlement of Debt	160,622	-	160,622
Other income	(434,238)	-	(434,238)
Net loss and comprehensive loss	**7,119,077**	**8,091,108**	**(972,031)**

- Share based compensation increased due to the timing and magnitude of stock option grants and the vesting periods associated with past grants and represents a non-cash item.
- Consulting and management fees decreased due to cost reduction efforts and focusing on a limited number of higher potential projects.
- Salaries and benefits decreased due to cost containment efforts and a reduction in salaried employees.
- Product research and development costs increased due to the increased direct expenses and increased resources both allocated to specific projects compared to the previous period.

- Amortization expense decreased due to the revaluation of some of the intangible assets held at September 30, 2019 and represents a non cash item.
- Shareholder communications and marketing increased in the quarter due to increased marketing efforts in North America and Europe.
- Office, general and administration expense decreased due to cost reduction efforts across the business.
- Depreciation decreased slightly due to a lower PP&E amount.
- Professional fees decreased due to cost reduction efforts across the business.
- Loss on investment in associate relates to Relay's share of expenses incurred in Glow LifeTech Ltd. and represents a non-cash item.
- The increase in interest and accretion relates to the application of IFRS 16.
- The increase in loss on settlement of debt was due to no settlement of debt in the prior year.
- Government grant revenue increased due to the availability of economic support programs during COVID-19.

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
September 30, 2020	NIL	(1,781,172)	(0.02)
June 30, 2020	NIL	(1,479,959)	(0.01)
March 31, 2020	NIL	(3,072,657)	(0.02)
December 31, 2019	Nil	(785,295)	(0.01)
September 30, 2019	Nil	(4,062,013)	(0.01)
June 30, 2019	Nil	(1,472,137)	(0.02)
March 31, 2019	Nil	(1,272,537)	(0.02)
December 31, 2018	Nil	(1,284,421)	(0.03)

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 September 30, 2020, the Company had cash of $896,057, receivables of $582,669, and prepaid expenses of $12,987. The Company had current liabilities of $1,517,017. The Company had a working capital deficit of $25,304 as at September 30, 2020.

During the year ended September 30, 2020 the Company completed the following equity transactions;

i. On January 29, 2020, the Company announced that the Company completed a financing of $945,000 through the issuance of secured convertible debentures. The Debentures will mature on the first anniversary of issuance and bear interest at a rate of ten percent (10%) per annum which shall accrue from the date the Debentures are issued until the Maturity Date. Each Debenture shall be convertible into common shares in the capital of the Company at a price of $0.18 per Common Share. The lender will also

receive a half of a Common Share purchase warrant (each, a "Debenture Warrant") for each $0.18 principal amount of the Debentures, resulting in an aggregate of 2,625,001 Debenture Warrants being issued. Each Debenture Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.23 per Common Share for a period of two years from the date of issuance. In connection with the Offering, certain shareholders of the Company agreed to loan 5,250,000 free-trading Common Shares to the holders of the Debentures, in exchange for a half of a Common Share purchase warrant (each whole warrant, a "Warrant") for each Common Share. Each whole Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.20 per Common Share for a period of two years from the date of issuance. In connection to the Offering, finder's fees were paid equal to 8% of the proceeds raised and an aggregate of 420,000 finder warrants (the "Finder Warrants") were issued to the Finder, each Finder Warrant entitling the holder to acquire one Common Shares at an exercise price of $0.18 per Common Share for a period of two years from the date of issuance.

ii. During the September 30, 2020 fiscal year, a total of 7,148,797 common shares fair valued at $1,469,472 were issued to various debt holders in settlement of amounts payable totaling $1,308,850. In connection with the debt settlements, a loss on settlement of debt was recognized in the statement of loss and comprehensive loss for the September 30, 2020 fiscal year totaling $160,622.

iii. On January 22, 2020, 200,000 shares were issued on the exercise of stock options at an exercise price of $0.15 for gross proceeds to the Company of $30,000.

iv. On May 29, 2020, the Company announced the closing of a non-brokered private placement financing of gross proceeds of $639,500 through the issuance of 3,552,777 units at a price of $0.18 per unit. Each unit is comprised of: (i) one common share in the capital of the Company; (ii) one common chare purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.20 on or before May 29, 2022. Certain eligible persons were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such finder totalling $7,461 and also issued an aggregate of 41,200 finder warrants to the finders. Each Finder Warrant entitling the holder to acquire one Common Share at a price of $0.20 for a period of twenty-four months from the date of issuance.

v. On June 12, 2020, 450,000 shares were issued on the exercise of stock options at an exercise price of $0.20 for gross proceeds to the Company of $90,000.

vi. On September 17, 2020, the Company announced the closing of a non-brokered private placement financing of gross proceeds of $1,833,316.02 through the issuance of 10,185,089 units at a price of $0.18 per unit. Each unit is comprised of: (i) one common share in the capital of the Company; (ii) one common share purchase warrant. Each Warrant entitles the holder

to purchase one additional common share at an exercise price of $0.20 on or before September 17, 2022. Certain eligible persons were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such finder totalling $23,336 and also issued an aggregate of 129,644 finder warrants. Each finder warrant entitling the holder to acquire one Common Share at a price of $0.20 for a period of twenty-four months from the date of issuance.

During the twelve months ended September 30, 2019 the Company completed the following equity transactions;

vii. 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. Certain eligible persons were paid a cash commission totaling $18,640 equal to 8 per cent of the proceeds raised from subscribers introduced to the company by such finders and the company also issued an aggregate of 93,200 finder warrants to finders, each finder warrant entitling the holder to acquire one unit at a price of 20 cents for a period of 18 months from the date of issuance.

viii. On August 9, 2019 the Company completed the second tranche of the private placement financing (the "Offering") for gross proceeds of $542,000 through the issuance of 2,710,000 Units (each, a "Unit") at a price of $0.20 per unit. The aggregate gross proceeds raised pursuant to the first and second tranches of the Offering was $2,074,500 through the issuance of 10,372,500 Units. 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 February 9, 2021. Gross proceeds raised from the Offering will be used for working capital and general corporate purposes. 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 and also issued an aggregate of 68,800 finder warrants (the "Finder Warrants") to Finders, each Finder Warrant entitling the holder to acquire one Unit at a price of $0.20 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, Corporate Officers and Vice Presidents.

During the year ended September 30, 2020, $78,217 (2019 - $124,751) was due to key management and companies controlled by or related to key management. Remuneration of key management of the Company was as follows:

The following is a summary of key management personnel compensation:

	For the Years ended September 30	
	2020	**2019**
Share based compensation	**1,135,209**	326,415
Consulting and management fees	**1,568,143**	1,832,780
	$ 2,703,352	$ 2,159,195

During the year ended September 30, 2020, certain officers and directors participated in the May 2020 private placement and purchased an aggregate of 720,000 units for a total value of $129,600 in common shares.

During the year ended September 30, 2020, the Company issued 4,233,519 common shares with a fair value of $839,382 to settle $771,600 of balances owing to related parties of the Company, resulting in a loss on settlement of $67,782.

During the year ended September 30, 2019, certain directors and management personnel participated in private placements completed by the Company for total consideration totaling $100,000.

During the period from April 3, 2019 to May 26, 2019 when the Company held control of Glow Lifetech Ltd., compensation paid to key management personnel paid by Glow totaled $142,236.

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

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 software license. 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:

Evaluation of going concern
The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.

Impairment of intangible assets
Management has exercised their judgment in determining if the intangible assets are impaired. The judgment is based on management's ability to assess for indicators of impairment.

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.

Control
The Company uses judgement when assessing if the Company controls an investee, which includes the assessment of whether it holds power over the relevant activities, is exposed to variable returns and has the ability to use that power to affect those variable returns.

Research vs. Development Stage
The Company uses judgement when assessing if the Company has achieved development stage activities with its internally generated intangible assets.

Accounting standards and amendments issued but not yet adopted

Amendment to IFRS 3 – Business Combinations

On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. The Company does not expect any impact to the financial statements as a result of its adoption of the amendments to IFRS 3.

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, 2020, 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 September 30, 2020 there were 146,416,827 shares issued and outstanding and 37,483,711 warrants outstanding and 25,641,500 options outstanding.

As at January 29, 2021, there were 197,044,412 shares issued and outstanding and 80,346,211 warrants outstanding and 32,541,500 options outstanding.

"Yoav Raiter"
Chief Executive Officer
January 31, 2021