



## Relay Acquires IoT Cybersecurity Firm Cybeats Technologies Fortifying Critical Pandemic Device Deployments

- Cybeats is a leading edge IoT (Internet of Things) and connected device security company
- The Cybeats platform defends IoT devices from cyber-attacks in critical facilities like airports, hospitals, power plants, factories, water treatment facilities, as well as automobiles and consumer devices
- The global market for IoT security is projected to grow at 31.2% CAGR to over \$73 Billion USD by 2026<sup>1</sup> and IDC predicts that by 2025 there will be over 55 billion connected devices worldwide<sup>2</sup>
- Relay has now commenced integrating Cybeats operations to scale its sales and business development activities, and to strengthen ongoing and prospective deployments of the Fionet COVID-19 pandemic testing platform

TORONTO, March 03, 2021 (GLOBE NEWSWIRE) -- Relay Medical Corp. ("**Relay**" or the "**Company**") (CSE: RELA, OTC: RYMDF, Frankfurt: EIY2), is pleased to announce that it has entered into a binding Share Exchange Agreement ("**SEA**") to acquire innovative cybersecurity company, Cybeats Technologies Inc. ("**Cybeats**"), based out of the GTA (Greater Toronto Area) in Ontario, Canada.

Founded in 2016 by Dmitry Raidman, Vladislav Kharbash and Peter Pinsker, Cybeats Technologies has developed an integrated security platform designed to secure and protect high-value connected IoT devices. Cybeats' unique approach eliminates device downtime due to cyber-attacks and allows device manufacturers to develop and maintain secure and protected devices in a timely and cost-efficient manner.

"Cybersecurity has never been more important for connected devices. We look forward to immediately leveraging Cybeats technology to enhance the value proposition of our portfolio, starting with our Fionet devices. Cybersecurity is paramount to the future of IoT and with Relay's infrastructure, resources and specialization, we are uniquely positioned to fully realize the potential value of the Cybeats platform across industries," said Yoav Raiter, CEO, Relay Medical Corp.

This acquisition fulfills a fundamental requirement and is indispensable to the Company's mandate to provide the global marketplace with reliable data-driven technologies including point-of-care medical devices, consumer IoT diagnostic solutions and COVID-19 testing devices.

"While consumers, patients, manufacturers, companies and the world at large rapidly adopt and recognize the benefits of connected solutions, the potential consequences of data breaches and cybersecurity failures become increasingly more catastrophic," said W. Clark Kent, President, Relay Medical Corp. "The value in bridging this gap is well illustrated by the flurry of activity in the global cybersecurity industry and we have experienced the power of the Cybeats solution firsthand. This is a very exciting development for the Company and we look forward to capitalizing on this opportunity and recognizing further synergies as the transaction progresses."

On close of the transaction Relay will acquire Cybeats' technologies, intellectual property and trade secrets, and Cybeats will become a wholly owned subsidiary of Relay. In conjunction with the transaction, Cybeats co-founder and CEO, Dmitry Raidman, will be appointed CTO of Cybeats.

"We are at a major inflection point of the IoT security market both with respect to the attention it is receiving following the recent events in 2020 and with respect to regulations and standards that have been proposed in North America and Europe. Device OEM companies are motivated to follow and comply with these standards and this requires a different scale and approach. Integrating Cybeats unique award-winning device security technology will help OEMs to support the required scale and achieve their goals. It is imperative for Cybeats to grow fast and increase the business footprint in the OEM device security market around the globe, and this acquisition will accelerate that process," said Dmitry Raidman, CEO, Cybeats Technologies Inc.

The Cybeats platform helps companies build their devices with visibility into their security gaps and software supply chain. The platform then continuously monitors the devices for new emerging threats. When devices are operational in the hands of end-users, Cybeats provides controls to detect and eliminate cyber-attack threats in real-time with advanced incident response technology and integrates with modern SIEM (Security Information and Event Management) solutions. Cybeats uniquely provides built-in security as compared to today's market standard of bolt-on security.

The Cybeats technology has been developed with the future of IoT and the security of connected smart devices in mind. Future regulations and standards for devices are expected to require the active solutions such as those Cybeats provides. The Cybeats team are thought leaders with extensive experience in the cybersecurity industry, and with more than 15 years of pioneering work in both cloud systems and embedded software.

### Transaction Highlights

In accordance with the terms of the Share Exchange Agreement, Relay will acquire all of the issued and outstanding shares of Cybeats for an aggregate purchase price of \$7,180,000. At the time of closing, the Company shall pay an amount of \$500,000

in cash, and the issuance of 9,311,475 common shares of the Company at a deemed price of \$0.61 per share. On the date that is 120 days after closing, Relay shall have the option to satisfy \$1,000,000 of the remaining purchase price either by way of issuance of 1,639,344 common shares of the Company at a deemed price of \$0.61 (together with the shares issued on closing, the "Consideration Shares") or by way of cash, or a combination of both.

In addition to the purchase price described above, the Company shall also issue to Cybeats shareholders a number of additional common shares for a maximum aggregate value of up to \$6,720,000 (the "Milestone Shares") on the 18, 30 and 42 month anniversaries of the closing date provided that Cybeats meets certain gross revenue milestones in accordance with the terms of the SEA. The Milestone Shares will be issued at a deemed price per share based on the 15-day volume weighted average trading price of the common shares on the Canadian Securities Exchange ending the day prior to the day the applicable milestone was achieved.

Each Cybeats shareholder (other than the three founders of Cybeats) receiving Consideration Shares will deposit the shares into escrow for a period of 24 months, with a portion of the shares being released every 3 months. The three founders of Cybeats will deposit the Consideration Shares into escrow for a period of 39 months, with a portion of the shares being released every 3 months. Each Cybeats shareholder receiving Milestone Shares, if any, will deposit the shares into escrow for a period of 15 months, with a portion of the shares being released every 3 months. The parties expect to close the transaction within 30 days from the signing of the SEA. All the shareholders will be subject to a voting trust agreement providing Relay with voting rights on the Consideration Shares and Milestone Shares while in escrow.

Relay has issued 588,524 units to certain consultants for services rendered relating to the transaction at a price of \$0.61 per unit. Each unit consists of one common share and one half of one share purchase warrant. Each whole warrant is exercisable at \$0.90 per share for a period of two years. The common shares and warrants are subject to a hold period of four months plus a day.

**SUBSCRIBE:** For more information on Relay or to subscribe to the Company's mail list visit:

<https://www.relaymedical.com/news>

#### References

<sup>1</sup><https://www.globenewswire.com/news-release/2020/03/12/1999586/0/en/loT-Security-Market-Size-Soaring-at-31-20-CAGR-to-Register-73-918-82-million-by-2026.html>

<sup>2</sup><https://www.idc.com/getdoc.jsp?containerId=prAP46737220#:~:text=IDC%20predicts%20that%20by%202025,from%2018.3%20ZB%20in%202019>

#### About Cybeats Technologies Inc.

Cybeats delivers an integrated security platform designed to secure and protect high-valued connected devices. Cybeats unique approach eliminates device downtime due to cyber-attacks and allows device manufacturers to develop and maintain secure and protected devices in a timely and cost-efficient manner. Cybeats is a wholly owned subsidiary of Relay Medical Corp.

Website: [www.cybeats.com](http://www.cybeats.com)

#### About Relay Medical Corp.

Relay Medical is a technology developer and innovator headquartered in Toronto, Canada focused on the development of novel technologies in the diagnostics and AI data science sectors.

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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. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the aforementioned acquisition will be completed as described in this news release or on the 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 are contained in the Company's filings with Canadian securities regulators, which filings are available at [www.sedar.com](http://www.sedar.com).