



Reliq Health
technologies

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NEWS RELEASE

Reliq Health Technologies Announces Results of Mediation and Clarification on Revenue Recognition and Patient Eligibility

HAMILTON, Ontario, May 1, 2019 / - Reliq Health Technologies Inc. (TSXV:RHT or OTCQB:RQHTF) (“Reliq” or the “Company”), a technology company that develops innovative mobile health (mHealth) and telemedicine solutions for the community-based healthcare market, today provided an update on the ongoing litigation the Company had previously announced in a news release on February 26, 2019.

As disclosed in the Company’s February 26, 2019 news release, Reliq Health Technologies Inc. had previously commenced actions against Stephen Samson, Bobby Deveros, Claudio Damaso, George Rayner, Shelby Neal, Accuhealth Technologies LLC, Evelyn Technologies LLC, and Evelyn Technologies Canada Inc. in the Ontario Superior Court of Justice, the Superior Court of the State of Delaware and the US District Court, Southern District of Texas, Houston Division.

The Company is pleased to announce that Reliq and all of the defendants have agreed to settle all claims and causes of action between them, and are currently finalizing the documents necessary to implement the settlement. The settlement with Ms. Neal is subject to the satisfaction of certain agreed conditions.

The Company also announced today that as a result of a review by the TSX Venture Exchange, Reliq is providing the following clarification of a previous disclosure.

On October 16, 2018, the Company issued a press release stating it had decided to restate certain financial information reported for the quarter ended March 31, 2018. In that release, the Company further stated that it would issue restated Q3 interim financial statements upon the completion of the June 30, 2018 audit. The audited financial statements were filed on October 29, 2018. Following discussions with the Company’s auditors which took place after the October 16, 2018 press release but before the audited financial statements were filed on October 29, 2018, it was determined that it would be more appropriate to reflect the impact of the collection issues by recognizing bad debt of \$1,137,170 in Q4 FY2018 instead of restating revenues for Q3 FY2018. The bad debt was recorded in the annual audited financial statements filed on October 29, 2018 and was discussed in the accompanying annual MD&A. This position was taken for the revenue recognized from January 1, 2018 to March 31, 2018 because, at the time, some or all of the outstanding revenue was believed to be collectible.

The Company’s news release issued on February 26, 2019 should not have referred to a “restatement”, but rather to the events that led to the October 16, 2018 announcement of a restatement. As described above, a restatement was ultimately determined not to be the appropriate treatment of the collection issues, which were recognized instead as bad debt as described below.

As disclosed in the Company’s annual audited consolidated financial statements for the year ended June 30, 2018, the Company recognized revenue that is consistent with paragraph 20 of IAS 18 – Revenue (“IAS 18”), that is (1) the amount of revenue can be reliably measured, (2) it is probable that economic benefits associated with the transaction will flow to the Company, (3) the stage of completion at the



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balance sheet date can be measured reliably, and (4) the costs incurred, or to be incurred, in respect of the transaction can be measured reliably. The Company's financial statements are prepared using management's estimates, judgments and assumptions as at the date of the reporting. Consistent with IAS 8 – Accounting policies, changes in accounting estimates and errors ("IAS 8"), hindsight should not be used when applying a new accounting policy to, or correcting amounts for, a prior period, either in making assumptions about what management's intentions would have been in a prior period or estimating the amounts recognized, measured or disclosed in a prior period. The decision to recognize bad debt of \$1,137,170 in Q4 FY2018 instead of restating revenues was made in accordance with IAS 8 as described above.

In addition, the Company wishes to clarify the reason behind the decrease in the reported number of patients onboarded from March 31, 2018 to March 1, 2019. As of March 31, 2018, the Company reported over 12,000 patients onboarded. As disclosed in the Company's press release on October 16, 2018, the Company had encountered unanticipated issues with patients' eligibility and the manual claims submission process, and had ultimately determined that it would likely be unable to collect revenue for an - as of October 16, 2018 - still to be determined number of these patients. As disclosed in the Company's MD&A for the quarter ended December 31, 2018, the Company's focus for November and December 2018 was the screening of these patients for eligibility and the removal of any patients who were ineligible for reimbursement for Reliq's services from its platform. In early 2019 the Company determined that as of December 31, 2018 there were 2,713 patients of the original 12,000+ patient population who both still required Reliq's services and were eligible for reimbursement for telemonitoring services, and the Company therefore reported this number in the quarterly financial statements issued March 1, 2019 as the total number of patients onboarded and billable as of December 31, 2018. The Company has implemented several changes to ensure that issues with eligibility and claims submission do not affect Reliq's revenue collections going forward:

1. Reliq will no longer rely on customer screening for patient qualification and eligibility. Going forward the Company will screen patients using its own software tools and processes, which are now in place.
2. The Company has revised its standard client agreement to require payment for services rendered within 60 days of month's end, irrespective of whether or not the client has received reimbursement from the payor in question.

The Company is therefore confident that going forward any revenue projected for onboarded patients will be collectible.

ON BEHALF OF THE BOARD

"Dr. Lisa Crossley"

CEO and Director



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ABOUT RELIQ HEALTH

Reliq Health Technologies is a healthcare technology company that specializes in developing innovative software solutions for the Community Care market. Reliq's powerful iUGO Care platform supports care coordination and community-based healthcare. The iUGO Care platform integrates wearables, sensors, voice technology and intuitive mobile apps and desktop user interfaces for patients, clinicians and healthcare administrators. iUGO Care allows complex patients to receive high quality care at home, improving health outcomes, enhancing quality of life for patients and families and reducing the cost of care delivery. iUGO Care provides real-time access to remote patient monitoring data, allowing for timely interventions by the care team to prevent costly hospital readmissions and ER visits. Reliq Health Technologies trades on the TSX Venture under the symbol RHT and on the OTCQB as RQHTF.

For further information please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statements Regarding Forward Looking Information

Certain statements in this press release constitute forward-looking statements, within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are "forward-looking statements".

We caution you that such "forward-looking statements" involve known and unknown risks and uncertainties that could cause actual and future events to differ materially from those anticipated in such statements.

Forward-looking statements include, but are not limited to, statements with respect to commercial operations, including technology development, anticipated revenues, projected size of market, and other information that is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Reliq Health Technologies Inc. (the "**Company**") does not intend and does not assume any obligation, to update these forward-looking statements except as required by law. These forward-looking statements involve risks and uncertainties relating to, among other things, technology development and marketing activities, the Company's historical experience with technology development, uninsured risks. Actual results may differ materially from those expressed or implied by such forward-looking statements.



SOURCE: Reliq Health Technologies Inc.