Dear PillEye customers and potential PillEye LIVE users,

Thank you for your support and interest in PillEye. We would love to receive your input on the ideal price points for our new product, PillEye LIVE, which will be released in late September.
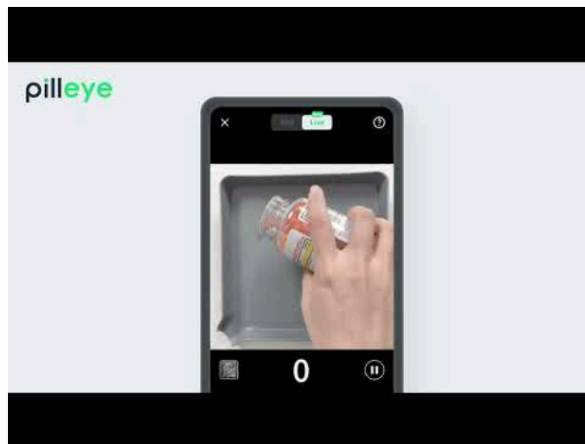
PillEye LIVE Survey Form: https://forms.gle/TUsjDm8MToeXvzi78 [Submission deadline: Aug. 20th]

Fill out the above survey, and claim below advanced reservation (pre-booking) benefits:
- Generous discount rate offer from tag price (to be decided in late August) for annual subscription
- a free iPad/tablet PC stand sent directly to you from Amazon for first 1,000 annual subscribers: First-come, first-served basis: Those who submit this survey will qualify for the free stand, even if your sign-up date is not immediate upon release. So we advise you to submit this survey early if possible.
- **EXCLUSIVE benefit for early birds**:
  - Extension of fixed annual discount rate for a minimum of three (3) additional years
  - $10 Amazon or Starbucks gift card that we send out as a token of appreciation for submitting the survey (Only for those who submit this survey by end of Aug. 20th)

What's PillEye LIVE?

ATTACHMENT A.

▶ Introducing PillEye Live: The Future of Real-Time Pill Counting Technology!

Essential Benefits of PillEye LIVE

"Ever thought about saving money while embracing automation for counting pills and tablets?"

That's where the **PillEye PRO** (paid version of unlimited photo-based counting) and **PillEye LIVE** (our new real-time video counting) apps come in. These apps streamline the counting process with minimal manual effort, offering all the benefits of automation without the hefty upfront costs.

PillEye LIVE is the latest breakthrough for counting pills and tablets in dispensaries and quality assurance (QA) teams at pharmaceutical production lines. PillEye PRO on the other hand was proven to be helpful for inventory and cycle counting tasks.

PillEye LIVE captures 10 frames (photos) per second using vision AI technology, previously limited to expensive hardware models costing around or over USD10,000 per unit. Medility has made this advanced technology available through a mobile app, reducing costs and expanding access to a broader audience.

Adopting PillEye LIVE streamlines pill-counting processes, helping you achieve higher accuracy and efficiency in pill counting while maintaining a clean, hands-free environment. With PillEye LIVE, your technicians can save time on repetitive pill-counting tasks and redirect it towards more productive activities focused on improving patient care and increasing revenue.

SUPPORTED iOS DEVICES

Please NOTE!
Initially, PillEye LIVE will only be available on iOS devices, and will later support Android devices.

Device Type	Optimized For	Minimum Requirements
iPhone	**12** and later models (2020.10~)	11 (2019.09)
iPad	**10th** and later models (2022.10~)	8th (2020.09)
iPad Air	**4th** and later models (2020.10~)	3rd (2019.03)
iPad Mini	**6th** and later models (2021.09~)	5th (2019.03)
iPad Pro 11	**3rd** and later models (2021.05~)	1st (2018.11)
iPad Pro 12.9	**5th** and later models (2021.05~)	3rd (2018.11)
Frame Interval	≤ 90ms	170ms

How's PillEye LIVE different from previous PillEye?

1. Enhanced Efficiency

By installing the PillEye LIVE mobile app on smartphones or tablet PCs like iPads, and mounting the device on a stand, users can enjoy a <u>truly hands-free pill-counting environment</u> similar to top-tier pill counting hardware. Unlike PillEye PRO, which required users to take photos to count pills, PillEye LIVE allows for instant, real-time pill counting through a video-like interface.

PillEye LIVE can be activated on the existing PillEye PRO app. However, its efficiency is maximized by installing the new PillEye LIVE app on a smartphone or tablet and securing the device on a stand. This setup transforms the tablet into an always-ready pill-counting tool, eliminating the time spent turning on the phone, opening the app, and pressing the photo capture button for each count.

2. Boosting Productivity

Our pill counting time measurement, shown in **Attachment B**, tracks the duration from opening a stock bottle, pouring pills, counting, and filling the vial. With PillEye LIVE, the actual pill counting is done in less than one second. PillEye LIVE's automatic pill counting solution dramatically increases the number of prescriptions filled in less time with fewer human errors.
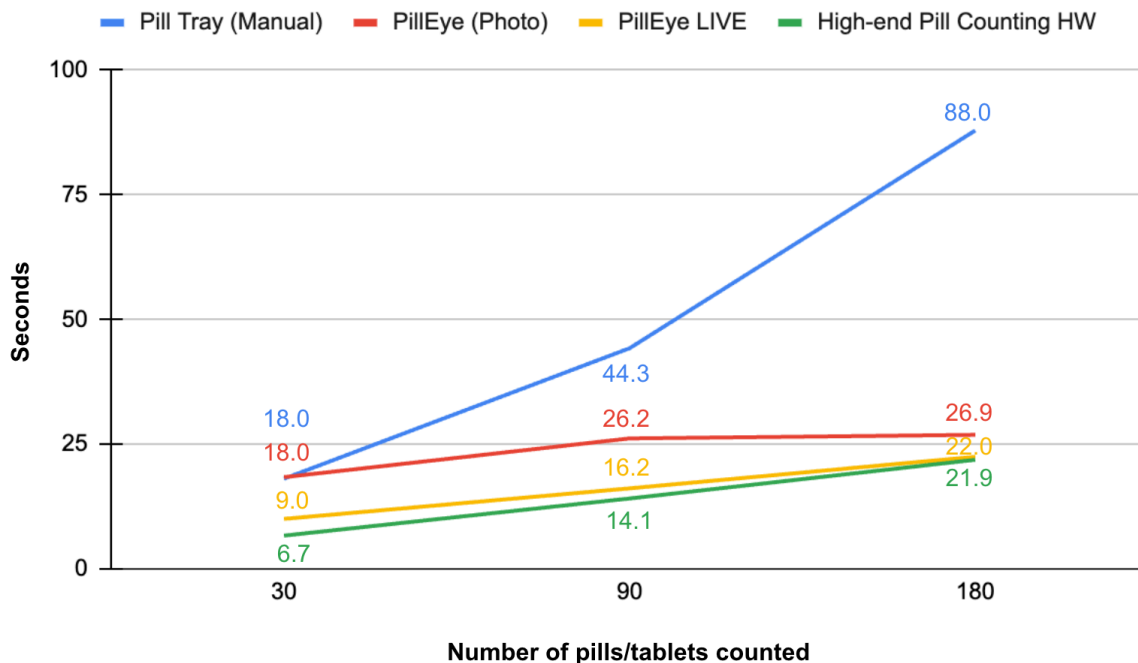

ATTACHMENT B.

*PillEye LIVE significantly enhances productivity in pill and tablet counting. We discovered that PillEye PRO, the previous PillEye app, was primarily used for inventory and cycle counting as it was not optimized for prescription filling. However, as shown in our pill counting experiment (**refer to Attachment B**), PillEye LIVE drastically reduces the pill counting time for prescription filling in dispensaries.*

It's important to note that the pharmacists and pharmacy technicians involved in the experiment were very familiar with high-end pill counting hardware, having used the device in the pharmacy setting for years. Despite their initial unfamiliarity with PillEye LIVE, its time-saving effect was nearly on par with that of high-end pill counting hardware.

When counting 30 pills, PillEye LIVE cut the time spent in half compared to manual hand counting with a pill tray and spatula. The time-saving effect was even more pronounced with larger quantities, reducing the counting time to almost a quarter of that required for manual hand counting.

Those interviewees who had 2-4 weeks to get accustomed to PillEye LIVE saw their pill counting time reduced to levels comparable to that of high-end pill counting devices.

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3. Cost-Effective & Budget Friendly Solution

PillEye LIVE is a cost-effective alternative to expensive pill counting hardware out there that incur high maintenance expenses over a 10-year lifespan of the device. It's particularly suitable for smaller businesses, new pharmacies and animal hospitals with limited funds or those that suffer labor shortages. **Attachment C and D** show substantial cost savings from adopting PillEye LIVE.

What's even more intriguing is that subscribing to PillEye LIVE grants you a 50% discount on additional subscriptions of PillEye PRO accounts, enabling you to use your employees' smartphones as counting devices. This significantly reduces the time spent on your regular inventory counting.

ATTACHMENT C.

Below table is the Cost Savings estimate from adopting PillEye LIVE at retail pharmacies (Independent and Chain): On average, a dispensary in the U.S. processing 91,000 Rx per year is expected to save $8,444 per year from the time saving effect of PillEye LIVE. Cost savings may vary depending on the volume of prescriptions filled annually. The calculation below applied to the average hourly wage of U.S. pharmacy technicians reported at $19.30 per hour.

Counting Method	Avg. pill counting time (30 pills / Rx)	Avg. annual time spent on Rx pill counting	Avg. time spent on cycle count (200 pills / product)	Avg. annual time spent on cycle count (20 products daily)	Avg. annual time spent on pill counting	Avg. annual labor cost spent on pill counting
Manual (Pilltray)	18 sec	455 hr	150 sec	250 hr	705 hr	$13,607
PillEye LIVE	9 sec	228 hr	24 sec	40 hr	267.5 hr	$5,163

ATTACHMENT D.

*Consider the **Long-term Payback** when deciding whether to purchase a high-end pill counting device or adopt PillEye LIVE. PillEye LIVE subscription vs. High-end Pill Counting Hardware Cost Comparison below assumes 10-year lifetime for the hardware devices, 5-year lifespan for iPad. Subscribing to PillEye LIVE is 14-33% cheaper than purchasing high-end pill counting hardware devices that require burdensome upfront investment.*

*PillEye LIVE not only significantly lowers the initial investment needed to bring highly accurate automated pill counting technology to your dispensary but also offers long-term cost savings, increased production capacity, and reduced labor costs. Investing in this automatic pill counting solution is a smart financial move. While cost savings may vary depending on the volume of prescriptions filled annually, a dispensary can save an average of USD8,444 per month by adopting PillEye LIVE, as shown in **Attachment D**.*

If you were to subscribe to PillEye LIVE for USD70 per month (*Note: this is an estimated figure, the actual subscription price hasn't been determined yet), dispensaries without automated pill counting solutions could save $84,440 over 10 years. Even dispensaries already using high-end pill counting devices worth around $10K could save an additional $11,822 to $27,865 (14-33%) over the next 10 years.

Improved productivity can help eliminate the need for additional hires, providing even greater long-term payback. With PillEye LIVE, your skilled workforce can reduce the time spent on counting pills in the dispensary or on conveyor belts for larger long-term care and specialty pharmacies, as well as in pharmaceutical and pill-shaped dietary supplement manufacturing lines. PillEye LIVE not only allows you to reduce labor costs but also focus on more critical, improving patient care, revenue-generating, or cost-saving tasks.

	Actual HW Price (USD)	Annual premium drug data licensing fee	Total expenses on automated pill counting device adoption for 10 yrs	Annual Expense	Monthly Expense
Top-notch pill counting device A	$11,340 *(VAT not included)*	$299 per year x 9 yrs (First year free)	$14,031	$1,403	$117
Top-notch pill counting device B	$7,295 *(VAT not included)*	$299 per year x 9 yrs (First year free)	$10,971	$1,097	$91
PillEye LIVE	$499 *(or $29.08 x 12 months for iPad, VAT not included)*	**None** ($69.99 per month x 12 months x 10 yrs) + $499 x 2 (5yr lifetime per iPad) **If PillEye LIVE subscription price were to be priced at $69.99 per month*	$9,397	$940	$78

4. Low Maintenance
Unlike expensive all-in-one pill counting devices with multiple components, PillEye LIVE eliminates cumbersome daily cleaning chores. You won't need to disassemble and clean parts to maintain hygiene. With PillEye LIVE, simply wipe the pill tray with an alcohol swab. Maintenance and cleaning are as easy as washing a dish, eliminating the hassle of assembly and disassembly.

5. Low Downtime & Trusty Backup
Another appealing aspect of PillEye LIVE is its quick transferability, allowing device replacement in minutes if malfunctions occur. Unlike hardware devices needing shipping for repairs, which causes downtime, users can remove the registered device from the PillEye app and use PillEye LIVE on a personal device or install the app on a new device temporarily. This ensures no significant downtime.

6. High Reliability & Unparalleled Accuracy
If you find iPads, iPhones, and Android devices reliable, rest assured. Our service maintains 99.9% uptime, ensuring trouble-free use if your PillEye LIVE app installed device functions properly. PillEye LIVE, like our previous app, boasts 99.99% counting accuracy. To double count, shake the pill tray once to ensure no pills overlap and check for changes in the results, which only takes 2-3 seconds.

7. Multi-User Functionality
Similar to high-priced premium pill counting hardwares, you can subscribe to one PillEye LIVE account and add as many users as needed for FREE to keep a thorough record of who counted pills at specific times. Have your employees download the PillEye PRO app (not PillEye LIVE app) on their personal phones and sign up to create a FREE account to add ID to the PillEye LIVE installed device.

8. Unlimited Scalability
There are no restrictions on how many people can use one PillEye LIVE device or how many LIVE accounts can be subscribed simultaneously. Multiple LIVE accounts can be subscribed depending on the number of users and their proximity to the device. Consider adopting an additional unit to improve productivity if too many employees sharing one PillEye LIVE device becomes counterproductive.

9. User-Friendly Interface
Like PillEye PRO, PillEye LIVE is easy to use. Operators can quickly get the hang of it with minimal training, saving you time and money on training programs. Unlike some pill counting hardware that requires configuration, such as customizing counting parameters or adjusting for pill sizes, PillEye LIVE requires no such setup. Refer to the demo video in **Attachment A**.

PillEye supports a barcode reading feature, allowing users to easily retrieve the name of the drug they want to count with PillEye PRO and PillEye LIVE for human prescription drugs, so they can save the medicine name together with the pill counting results data including processed photo, timestamp, and user name. Medility plans to extend this barcode reading feature to animal drugs in 2025.

Pilltray surface recognition AI technology is now part of the new PillEye LIVE, helping users accelerate their pill counting process. With PillEye LIVE, users can simply remove pills from the pill tray surface area with much less effort to count the target number of pills. The app automatically counts only the pills that remain on the pill tray. This technology significantly enhances counting speed.

10. Superior Versatility
PillEye LIVE is designed to count pills and tablets of any shape, size, or material. Even costly pill counters struggle with certain tablets, but PillEye LIVE's advanced AI technology accurately counts 99.9% of a pharmacy's formulary, including translucent gelcaps. Many high-end devices fail with translucent gelcaps like Benzonatate, Vitamin D2, and Omega-3, but not PillEye LIVE.

11. High Throughput Counting
Need to handle a large volume of pills for prescription filling or inventory counting? The previous PillEye counted up to 500 pills per photo, but PillEye LIVE manages up to 1,300 pills at once. This makes PillEye LIVE ideal for retail pharmacies, animal hospitals, institutional, specialty and long-term care pharmacies, and QA teams at pharmaceutical companies and supplement manufacturers.

12. Easy to Move Around
Tabletop pill counting machines are moderate in size and weight, but the device you install PillEye LIVE on weighs only 1-2 pounds, much lighter than costly hardware alternatives. Even with the tablet mount stand, the setup is light enough to move around easily. This portability is particularly useful for counting tablets in different areas of your workplace as needed.

Considering that smartphones and tablet PCs operate on battery power for hours, as long as the device is connected to Wi-Fi, operators can use the PillEye LIVE installed device for inventory and cycle counting free from the location of the power outlet.

13. Improved Data Integrity
With PillEye LIVE, save your counting history by tapping the photo button. The counting results, along with the processed photo, timestamp, and user name, are recorded in the shared cloud archive. There's no storage limit, and the history can only be deleted, not modified, ensuring reliable records. This feature is useful for resolving disputes with patients about the correct number of pills prescribed.

Looking ahead, we will exert efforts on integrating PillEye with the practice management system software (PMSS) widely used in the U.S. and Canada. This integration, scheduled for 2025, will further enhance data integrity and user convenience.

14. Eco-Friendly
Here's a bonus for PillEye LIVE users (and potential users). Smartphones and tablet PCs consume significantly less electricity than existing high-end Internet-connected tabletop pill counting devices. This means that PillEye LIVE is more eco-friendly, helping you save on energy costs and reduce your environmental impact.

Internet-connected high-end pill counting devices use between 55 and 240 watts of electricity, depending on the model, whereas an iPad consumes about 2-3W (with iPad mini models use 2W). The annual cost of charging an iPad was estimated to be USD1.36 back in 2012. For details, refer to the U.S. EPRI data (2012), Forbes news article (2012) and Apple's Report for 10th gen iPad (2022).