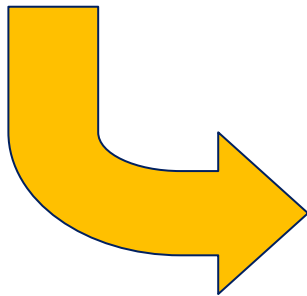


# IMI Innovation Management Inc.

**R&D, Intellectual Property, e-Health software  
& Patient Voice™ to Market**  
July 2012



## The “Short Story”

Everything was going very well. By the age of 35, Sue and I had a business that was beginning to dominate the IT services market for corporate Microsoft products and services on the West coast, and a cool house on a sandy beach in the best part of Victoria.

My brother’s chronic epilepsy and associated undiagnosed health issues were always on the radar. As a result, Microsoft’s request that we build some software for an Oregon hospital was quite interesting to us. We went ahead and did that. **eChart®** clinical logistics and workflow software was born. That was in 2000 when the Tech Wreck was relentlessly advancing.

The ongoing demands to support my brother became more and more dramatic. Our efforts to employ him proved impossible. The role of primary caregiver fell to our Mom. By late 2004 I thought we should try another tack using a less reactive approach. We would design some software to provide a broader solution that would also help many others. Our team reviewed the idea, agreed to proceed, and **Patient Voice™** was born.

With **IBM Canada** in support, we delivered Patient Voice™ version 1.0 in April of 2006 in a pilot project populated with patients associated with a charity focused on epilepsy and Parkinson’s disease. The pilot project documented a great deal about the strengths and weaknesses of the health industry in Canada and the US.

By August 2008 I had shared the design directly with leaders from the health industry, government and multinational corporations. That insured the idea would be carried forward by an organization with adequate resources to do a good job. **Microsoft** picked up the ball in Canada in 2010.

Over \$3,300,000 has been invested by IMI to date in improving productivity and treatment outcomes in the health industry of the advanced world. Minuscule improvements in healthcare productivity in Canada and the US are worth tens of millions of dollars. Identifying, contributing to and capitalizing on those improvements are key IMI objectives.

The plan now is to sell our original software, market research and other intellectual property in the US market. Those proceeds will push the boundaries of our research further. We also have a sizeable Government of Canada Scientific Research and Experimental Development (SR&ED) tax refund being prepared. Also, a new American partner will provide significant capital in 2012/13 to help move IMI forward, and with good timing and some luck should bring the value of the company to between \$7,500,000 and \$15,000,000 by the spring of 2015. The last private share sale puts the value of IMI today at about \$5,000,000, or about \$0.05 per share.

**The seeds planted over the course of a decade are coming out of the ground now, and will begin to be harvested later this year.**

## The Past

- 2012 • IMI founders swapped prime real estate (with limited appreciation potential) for intellectual property (with **unlimited future value**). Initiated company course correction.
- 2011 • Initiate exit from four year financial strategy, minimizing impacts of the global financial crisis on the company.
- 2010 • Microsoft emulated IMI in launching their Canadian personal health record pilot project in BC and Quebec. An adequate resource for this new approach ensures success.
- 2009 • Documented and presented my forecast for the deployment of personal health records in Canada and the USA to corporate, academic and government audiences.
- 2008 • Delivered **Patient Voice™** Version 2.0 specification to the Canadian health industry leadership, Microsoft and IBM.
- 2007 • Initiated a new financial strategy, which paid most of the \$3,300,000 invested to date in e-health software R&D.
- 2005 • Developed the software architecture for Patient Voice™ personal health record platform, and managed the **IBM** development team that delivered Version 1.0 servicing neurological chronic disease including **Epilepsy and Parkinson's** disease.
- 2002 • **Founded IMI Innovation Management Inc.** to support e-health research and development projects in multinational corporations and universities.
- 2001 • At Microsoft's request, delivered custom workflow logic and **eChart®** collaboration software for a medium sized private hospital in Oregon.
- 2000 • Productivity enhancements and globalization ambitions of many multinational corporations, governments and academic institutions were realized with our solutions.
- 1999 • Multiple major corporate IT successes. **Microsoft** initiated **"go to partner"** status to Systems Farm for Exchange Server, SQL Server and Outlook custom corporate software development.
- 1994 • **Founded RPA Systems Farm, Inc.** which became the first dedicated Microsoft Exchange Server Solution Provider in Western Canada, including my invitation to training in Redmond in the in-house **"Exchange First Look"** program. We were at Consumer Software in Gastown too, for those interested in e-mail history!
- 1992 • Represented the Canadian government in the **APEC** Technology Experts Working Group designing a shared communication and information network for APEC economies.
- 1988 • Designed and built the Asia Pacific Foundation of Canada **APFNET** communication and information network on behalf of the Federal and Provincial governments of Canada.
- 1986 • Hired by **Asia Pacific Foundation of Canada**. Tasked with implementing fledgling information technology solutions. Built Pacific Information Exchange database.
- 1982 • Initiated studies of Asia Pacific economic development and culture under leading Asia scholars, with emphasis on **China**.

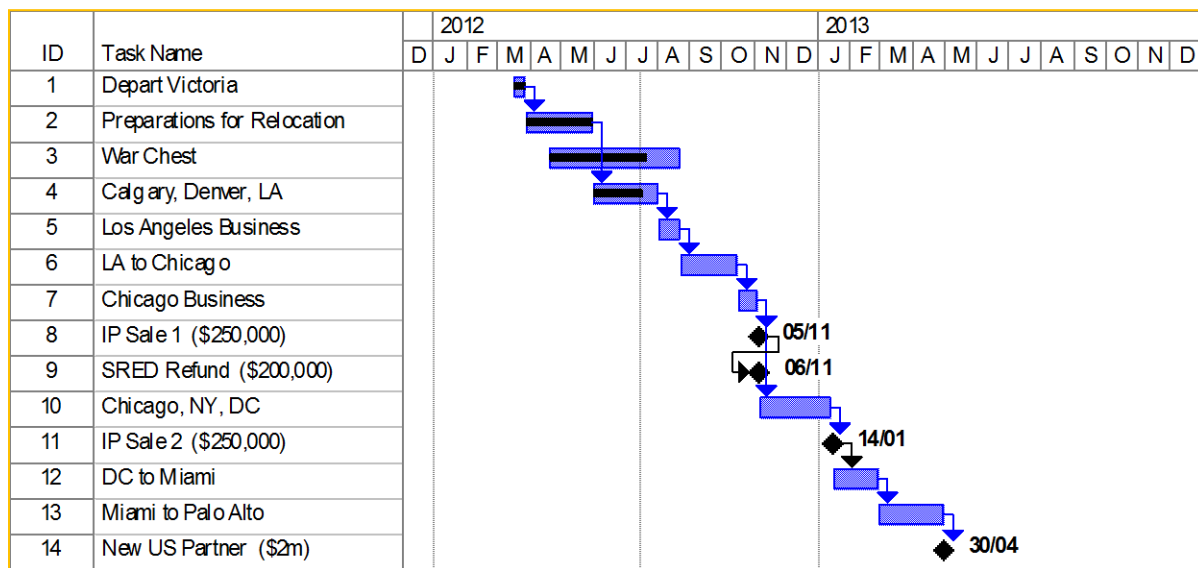
## The Present (The Plan)

- April/May 2012 Depart Victoria. Consolidate support.
- May/July **Leg 1 - Calgary, South Dakota, Denver, Los Angeles**
- August Los Angeles meetings.
- Aug/Sep **Leg 2 - Los Angeles to Chicago**
- Oct/Nov Chicago meetings & relocation prospects. IP sale 1. SR&ED cash.
- Nov/Dec US election. IP sale 2.
- Dec **Leg 3 - Chicago to New York to Washington**
- January 2013 **Leg 4 - Washington to Miami**
- Feb/Mar **Leg 5 - Miami to Palo Alto**
- April 2013 **Relocation decision.** Partner selection decision.

Victoria was a good place to live until the last few years when it began to lose some of its charm. It was never a great location for our business. We have deliberated over our options for some time, and have realized the relocation of both our home and business would be a welcome change.

In the past we have had good success taking our ideas, services and products on the road. That is the plan for the year ahead. The timing should coincide with the early days of a broad-based US economic recovery. People will be putting money to work in new and exciting ways, and we would like to be a part of it.

Certain areas of Western Canada and the United States are already appealing for relocation, but there are changes underway that only a careful, onsite assessment will reveal. **Chicago** is generating global momentum at the moment, and we plan to see for ourselves what is really going on there. Along the way we will have a look at other options and do some business.



## The Future

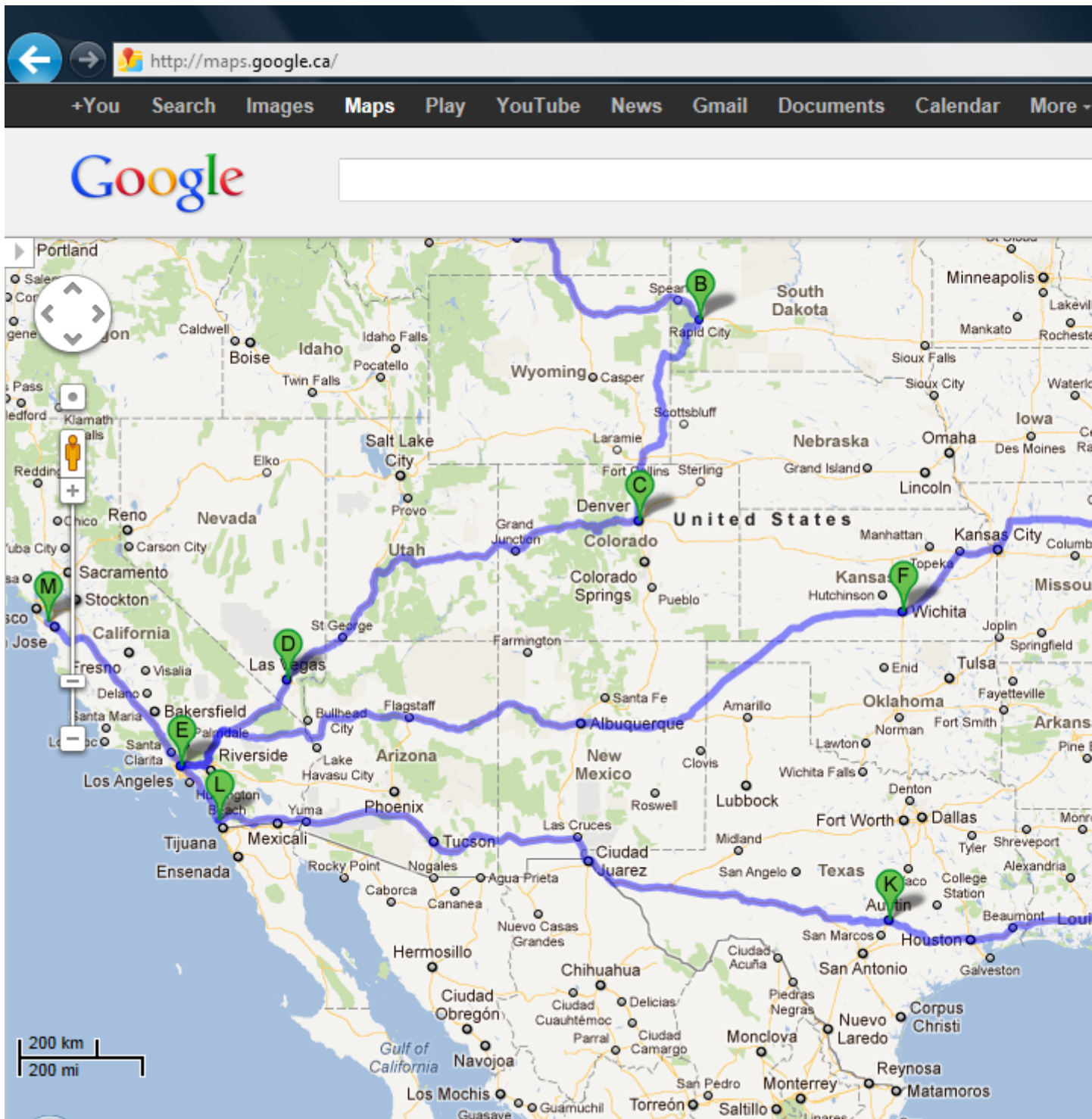
- 2012
  - Canadian Scientific Research and Experimental Tax Credit refund (SR&ED). A cash refund of about **\$200,000** for past expenditures in e-health R&D is expected by the fall of 2012.
- 2012
  - The sale of proprietary intellectual property related to software R&D is expected to generate **\$250,000** in revenue.
- 2012/13
  - The sale of proprietary intellectual property related to a broader range of research is expected to generate **\$250,000** in revenue in late 2012 and early 2013.
- 2013
  - A new American partner will become a minority shareholder in return for an investment not to exceed **\$2,000,000** in early 2013. Prospective partners will be met in Los Angeles, Palo Alto, Chicago, New York, Washington, Boston and other smaller US centers.
- 2015
  - A combination of revenues from original software licensing, publishing and other activities will increase the value of the company from \$5,000,000 to \$10,000,000 by December 31, 2015.

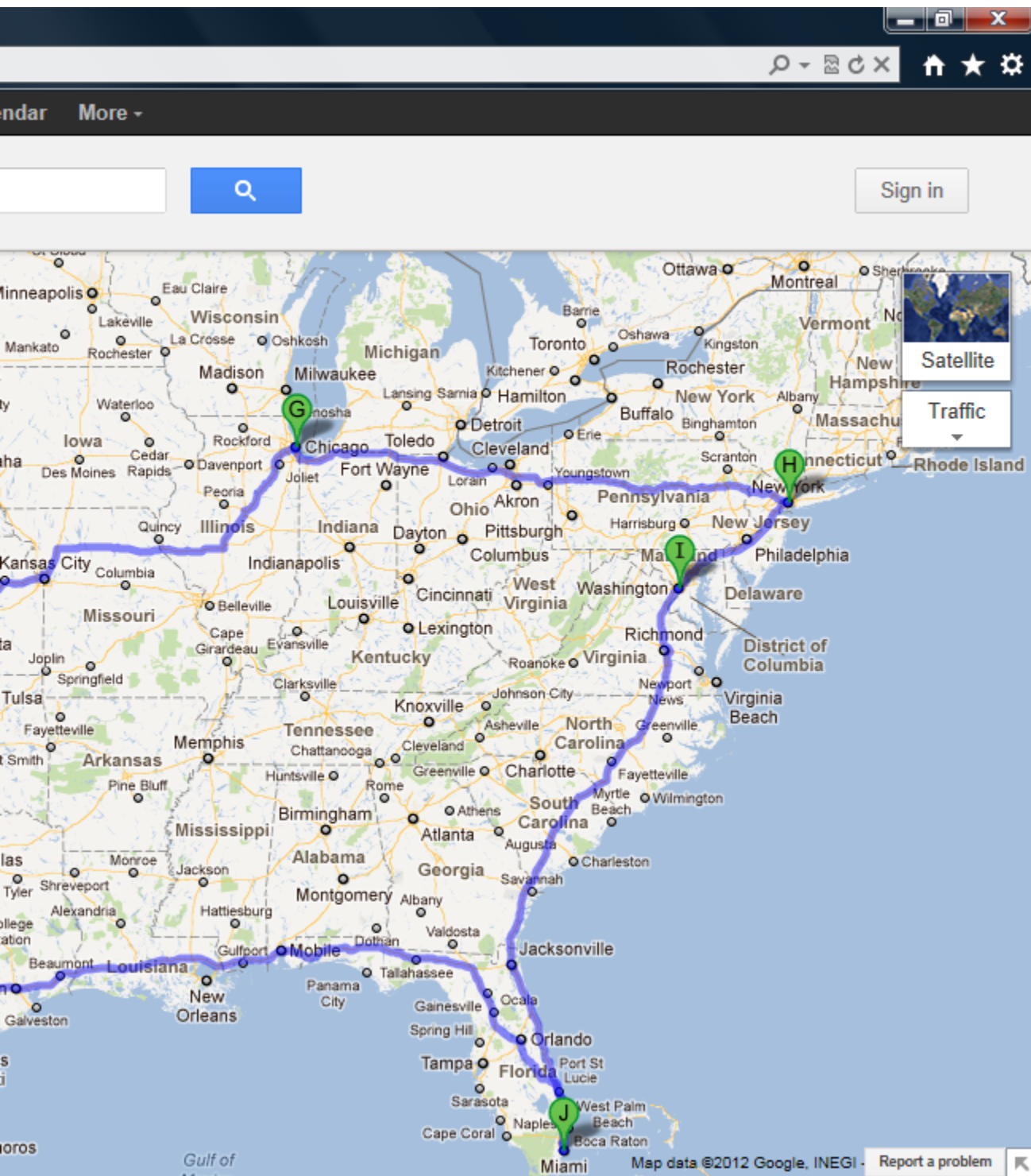
## IMI Cash Flow (18 months)

	Jan - Mar 2012	Apr - June	July - Sep	Oct - Dec	Jan - Mar 2013	Apr - June	Total	%
<b>Revenues</b>								
Friends & Family	10,000	7,000	0	0	0	0	17,000	1%
Shareholder 1	0	0	50,000	0	0	0	50,000	2%
Shareholder 2 - secured/Jeep	0	0	55,000	0	0	0	55,000	2%
Shareholders 3, 4, 5	0	0	50,000	100,000	0	0	150,000	5%
SRED Claim	0	0	0	200,000	0	0	200,000	7%
IP Sale 1 - existing IP	0	0	0	250,000	0	0	250,000	8%
IP Sale 2 - existing & new IP	0	0	0	0	250,000	0	250,000	8%
Share Sales (20%-40% of IMI)	0	0	0	0	250,000	1,750,000	2,000,000	67%
<b>Total Revenues</b>	<b>10,000</b>	<b>7,000</b>	<b>155,000</b>	<b>550,000</b>	<b>500,000</b>	<b>1,750,000</b>	<b>2,972,000</b>	<b>100%</b>
<b>Expenses</b>								
Legal - Old	0	0	11,000	0	0	0	11,000	2%
Accounting/SRED	0	0	7,500	2,500	0	2,500	12,500	2%
Legal - New, IP	0	0	10,000	0	5,000	0	15,000	3%
Move/Storage	500	4,000	1,500	1,500	1,500	5,000	14,000	2%
Server Move/Comms	1,000	1,500	3,000	3,000	3,000	5,000	16,500	3%
Aging IMI Accounts Payable	0	0	12,500	10,000	10,000	10,000	42,500	7%
Friends & Family payments	0	0	17,000	10,000	10,000	10,000	47,000	8%
Jeep Purchase & IMI Buyback	0	0	53,000	0	0	55,000	108,000	18%
Travel/Relocation	0	8,000	17,000	25,500	25,500	25,500	101,500	17%
Repayments to GC2 backers	0	0	0	0	110,000	110,000	220,000	37%
<b>Total Expenses</b>	<b>1,500</b>	<b>13,500</b>	<b>132,500</b>	<b>52,500</b>	<b>165,000</b>	<b>223,000</b>	<b>588,000</b>	<b>100%</b>
Revenues less Expenses	8,500	-6,500	22,500	497,500	335,000	1,527,000	2,384,000	
Cash	8,500	2,000	24,500	522,000	857,000	2,384,000		



## “Great Circle 2” – IMI intellectual property to market





## IMI Balance Sheet

### Assets

• Patient Voice™ Version 2.0 Architecture & Apps <i>(web-based personal health record software platform and applications)</i>	\$1,500,000
• Patient Voice™ Version 1.0 Architecture, Software, Usage Data & Analysis <i>(web-based personal health record software platform)</i>	\$1,000,000
• eChart© Version 2.0 Architecture & Software <i>(clinical logistics, workflow, collaboration architecture and software for the Microsoft platform)</i>	\$500,000
• Government of Canada Scientific Research and Experimental Development tax refund (SR&ED) claim 2011	\$200,000
• RPA Systems Farm, Inc. goodwill; Friends & Family goodwill <i>(return of half of liabilities may be deferred 5 years; worth \$300,000/yr)</i>	\$1,500,000
• New R&D and intellectual property (2012)	\$250,000
• New R&D and IP in development (2012/13)	<u>\$250,000</u>
<b>Total Assets</b>	<b>\$5,200,000</b>

### Liabilities

• RPA Systems Farm, Inc. (Sue & Pat)	\$2,340,000
• Round 1 Friends & Family (2 others)	\$500,000
• Round 2 Friends & Family (10 others)	\$250,000
• Shareholder Buyback provisions (2 others)	\$50,000
• Accounts payable	\$50,000
• Shareholder equity	<u>\$2,010,000</u>
<b>Total Liabilities</b>	<b>\$5,200,000</b>



## IMI Intellectual Property

### Original IMI Software

1. Patient Voice™ software platform
2. Patient Voice™ trademark
3. eChart© workflow logic
4. eChart© collaboration software
5. Six Pack© apps for Exchange
6. Pinger©

### R&D

7. MedBal© app for smart phones
8. Patient Voice™ Pilot Project Findings
9. Patient Voice™ Analysis of Personal Health Record Market
10. Health Industry Leadership in Canada
11. Priorities of Healthcare Related Charities in Canada
12. Private Lending Regulation in Canada
13. Neurological Research in Practice
14. University R&D vs. Teaching in Practice
15. University Capital Spending in Canada 1980 - 2010

### Manuscripts, Treatments & Scripts

16. The Re-civilization of Business, Government and Academia
17. US/Canada Friendship in the 21st Century
18. Corporate influence on social networks
19. Evovation©: The Evolution of Innovation
20. Why Chicago?
21. Quiet Ones and Zeroes: Creativity, Institutional R&D and Business
22. Easy Power

## “The Deal”

We have accomplished quite a bit. Beginning in the early 1980's, I started by trying to alert Canada to the relevance of East Asia and China. Later on, another challenge was winning over the corporate status quo that insisted the fax machine was 'perfectly good', while first e-mail and later the Internet started to take root. On the front lines we helped build Microsoft into a global force for standardization, leading to productivity gains which were unforeseen. Powerful innovations in healthcare are also making good progress after ten years of work.

That said, the scale and importance of those productivity gains combined with rapid advances in corporate globalization have surprised many, including me. I would prefer to see the benefits shared more widely, and I believe if we are patient that will happen over time. While it is true that many have been raised from abject poverty in the developing world in the past thirty years, we have just scratched the surface of improvements to education and health that are available to us all right now.

I believe the United States will grow in influence over Canada for the foreseeable future. It is important that we do what we can to manage the fresh water, hydro electricity, oil and gas reserves of Canada to the extent we are still able. It is also important that Canadian virtues including tolerance, intelligence and good humour are also reinforced. **Also, both countries can do a better job delivering healthcare.** The relationship between Canada and the US in the current state of the world must be re-examined and understood. That is what IMI intends to do for the next eighteen months.

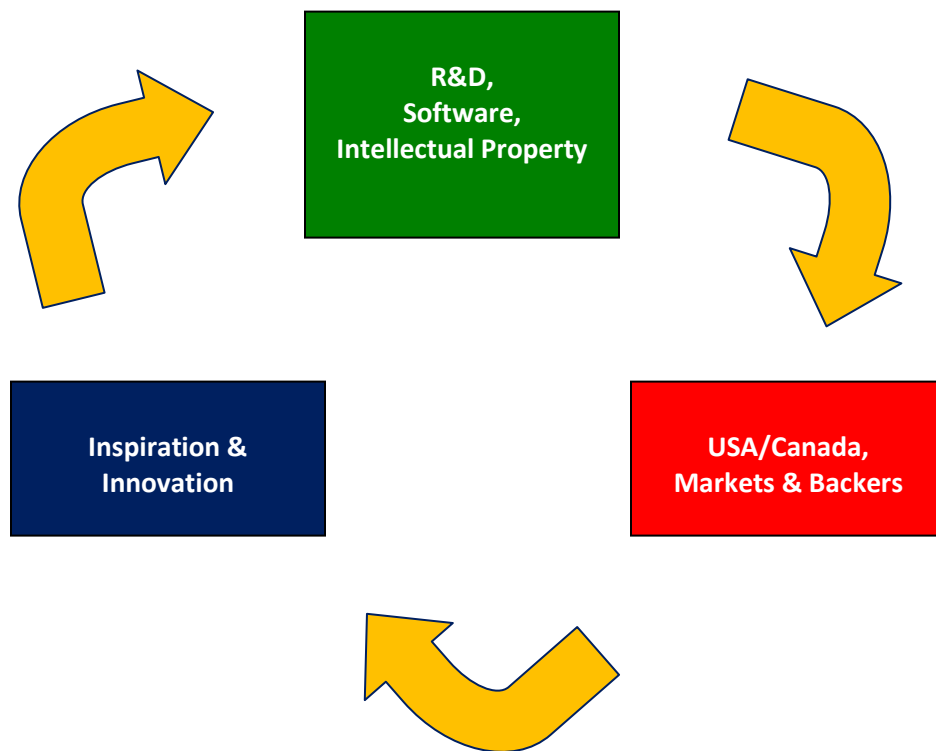
With the blessing of long time supporters from Calgary to Victoria to Vancouver to San Francisco to Tokyo to Singapore and back, we have a fresh plan. As always, we promise to put ourselves second to the achievement of the objectives we share with our supporters.

Here is the deal:

- About \$250,000 is required to complete this plan.
- We are approaching a select group of people who we believe understand and support our work.
- Each may invest \$50,000 and can expect to be repaid in full with an additional \$5,000 bonus within 18 months.
- As a one time offer, each will also be issued 1 million IMI common shares, about 1% of the outstanding shares in the company. The last share sale was at \$0.05.

If you participate at this stage, you can expect complete transparency, and potentially an impressive return at the end of the day. You will also help make a positive difference that your grandchildren will benefit from directly and indirectly. Directly from the return on your investment. Indirectly from the cumulative improvements to their health system that will result from our efforts.

I think the timing is good. The intellectual property and associated products resulting from our last three decades of thought and work are very valuable today. We would like to share that value with like-minded people, and hope that includes you.



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