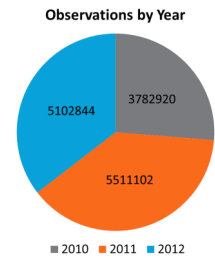


HITLAB is a research organization that monitors, evaluates, and develops new and innovative healthcare technologies. HITLAB was asked by PharmaSmart to conduct an independent data quality assessment, data valuation assessment, and identify new business opportunities leveraging the PharmaSmart kiosk.

Data Quality Analysis

- The database contains **14.4 million blood pressure readings**.
- All data is recent and was recorded in 2010, 2011, or 2012.
- The database is complete with no missing values for pulse, timestamp, diastolic pressure, and systolic pressure
- The number of outliers for pulse, systolic, and diastolic blood pressure is negligible.
- Measures of systolic and diastolic blood pressure and pulse are consistent with findings from published research studies in terms of average, distribution, and variance.



Database Valuation

Methodology

HITLAB conducted 10 structured interviews with industry experts representing six different industries; healthcare information technology, healthcare consulting, insurance, pharmaceutical distribution, and pharmaceuticals. The average annual revenue of the companies represented by respondents was \$38 billion. On average, interviews with each respondent lasted 25 minutes. Interview respondents were provided with a data sheet which discussed and asked a variety of questions regarding the value of the database.

Table 1: Interview Respondents

Director, Health Industries Group, Consulting Firm
SVP, Development Operations, Top 10 Pharma
VP, Top 10 Insurance Company
CEO, HIT Company
VP, HIT Company
CEO, Consulting Firm; Physician
SVP Marketing & Sales, Top 10 Insurance Company
VP, Pharmaceutical Distribution
Executive Director, EOR Top 20 Pharma
VP, Clinical Research, PBM

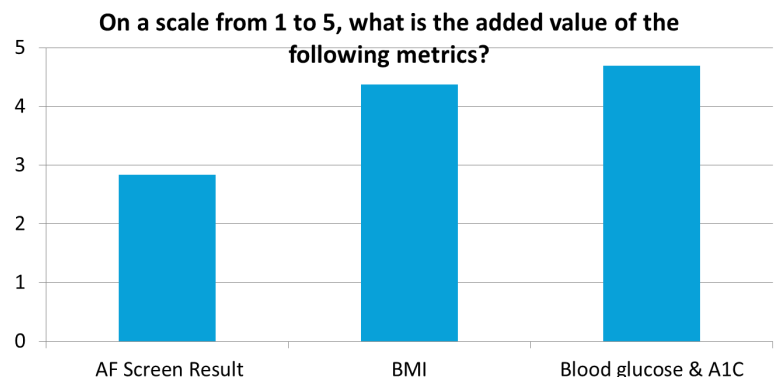
10 of 10 respondents agreed that there is value in the Smart Data.

“If the majority of the database were Smart Data, we would probably pay \$100K to \$150K to download it”.
- Head of Outcomes Research, Pharma

Results

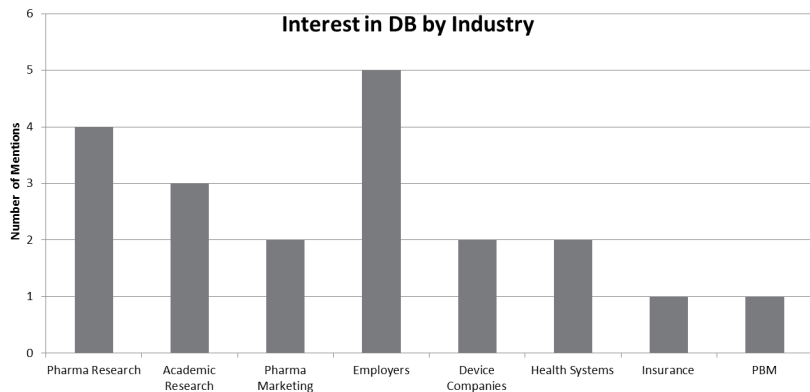
Respondents were asked to estimate the fair-market value of the database. After controlling for outliers, the average value reported by survey respondents was \$385,000.

By adding variables to the database, the value of the database would increase exponentially.



Interviewees were asked which industries would benefit from using the PharmaSmart database and blood pressure monitoring kiosks. Respondents identified a variety of opportunities in several different industries. **Use of the technology for wellness programs was cited by 5 of the 10 respondents.**

Figure I



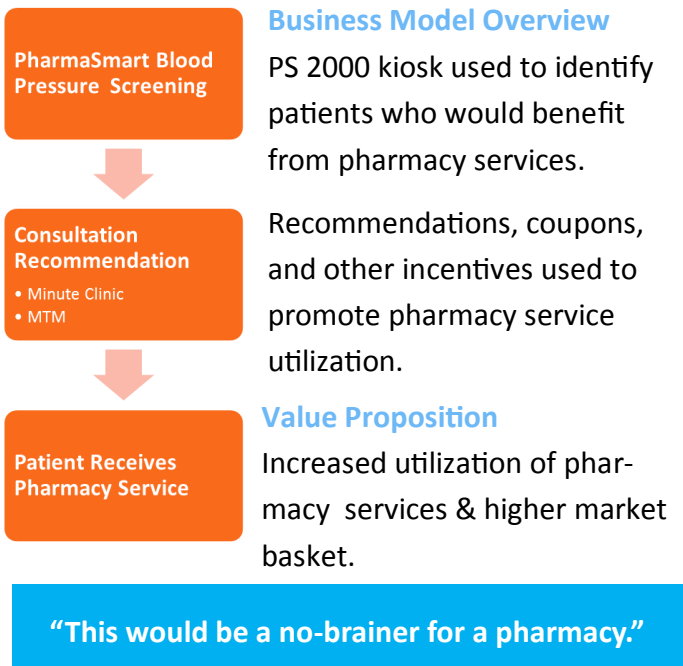
Currently, insurance companies collect data from doctor's offices. Everyone is trying to figure out how to abandon that model and this model may be able to get us there.
 – VP, Insurance Company

New Business Opportunities

HITLAB developed 4 business models for new service lines leveraging the PharmaSmart PS 2000 kiosk and data analytics platform. The business models were validated by industry experts from leading healthcare organizations throughout the United States. The services include:

1. Program to refer hypertension patients to pharmacy services.
2. Screening program to identify case management candidates.
3. Data collection and analysis platform for wellness program.

Program to refer patients to Rx Services



Data collection & analysis platform for wellness program

Business Model Overview PS 2000 kiosk used as a data collection platform for employee wellness programs.

“We would want this data as part of a company wellness program. It would be very interesting for us.”
 Benefits Manager | 300,000 employee company

Screening tool for case management programs.

“This is a great way to identify high risk patients without having to get them to schedule an appointment with their doctor.”
 Senior VP | Top 5 Insurance Company