

Amplus HealthNet LLC

Executive Summary

October 27, 2007

What We Do

Amplus HealthNet LLC (AHN) sells a service that enables pharmaceutical companies to communicate medically relevant content to a targeted physician audience at the point of care. This is done via its Physicians Resource Library (PRL), a component of AHN's comprehensive EHR/Practice Management System offered to the Physician Community as a high value, yet commodity-priced solution. The monthly subscription charge to the doctor for the EHR/Practice Management software covers all costs, including local software license, upgrades, unlimited support, 6-week training, clearing house services, unlimited staff users and unlimited locations.

AHN Today

The "system" was originally built and rolled out in 2004. Enhancements made to the system since then have been rolled out to our customers seamlessly and without human intervention. These enhancements deliver value to our subscribers at a fraction of the cost charged by our competition. This "system" is currently being copyrighted and patented.

Physicians are being proactively recruited utilizing various direct and indirect strategies. As of this writing, we have 50 practices in various stages of system implementation. We are working with business alliance partners to deliver brand recognition and customers. Our database used for recruitment consists of 345,000 unique physicians.

Among the early Pharmaceutical adopters are Bayer Healthcare, Lilly, Shire, Cephalon, Biofilm and DiscoveryHealth. We are currently in discussions with several others. We have signed business alliance and reseller agreements with companies including CMI/Compas, Elsevier, Quadrant Health and MDOnline to deliver brand recognition, customers and value added services to the AHN offering. We are currently in discussions with several others, including media outlets and publishing groups.

Over the last year, we have developed systems and processes maximizing operational scalability and lowering operating costs. This is critical to maintain the barrier of entry for our indirect competition. We have risk-protected assets in India (R&D) and Costa Rica (Call Center). The Call Center today generates 50K exposures/month; scalable to 300K exposures/month.

As of this writing, AHN is self-funded.

Objectives

In order for AHN to be successful, we need to increase our Physician Community to approximately 1,000 practices as quickly as possible. The objective of this business plan is to raise \$1.5 million in capital investments to fund Physician and pharmaceutical recruitment. The funds will be used as follows:

1. Increase brand awareness using a variety of marketing tactics.
2. Increase installed base to 1,000 physician practices and 1,500 pharmaceutical brands.
3. Create an infrastructure to support recruitment and customer base.

AHN Growth Strategy

We recognize that in order to achieve our objectives, it is critical to accelerate the creation of brand awareness in target markets and establish AHN as a credible household name amongst physicians and pharmaceutical manufacturers. Speed to market penetration will allow AHN to maintain a level of competitive advantage, market adoption and profitability.

Funds will primarily be utilized to create marketing exposure opportunities. The Marketing Plan details the tactics that will be employed. Based on these tactics, AHN hopes to create 3 million exposures in the first year; 2 million exposures in year 2; and 1.5 million exposures in year 3. AHN's assumption is that such push strategies combined with an aggressive, proactive pull strategy (as employed by the Call Center), will result in the desired customer acquisitions.

The remainder of the funds will be utilized to build out the implementation and support organization to allow the company maximum return on investment from its marketing strategy.

We owe our early success and traction to a Google-like transactional, commodity model for Physicians and Pharmaceutical Marketers. Delivering a comprehensive solution to solve interrelated physician, patient and pharmaceutical challenges, we have been successful in placing medically relevant content at the point of care for physicians, patients and pharmaceutical

manufacturers. The concept alone has been elusive to pharmaceutical companies, and AHN fills this void with a unique and powerful offering.

Current Market Analysis

While there are several competitors in the marketplace, there are several factors that have made it conducive for AHN’s entry into the healthcare space. Some of the key market indicators are:

- a. Pharmaceutical Manufacturers are experiencing diminishing returns on their marketing ROI, and are establishing marketing innovation teams to develop plans that will lower cost of customer acquisition in the future.
- b. Various business pressures on Physicians has had a trickle down effect on Pharma Sales Reps, resulting, on average, in less than two (2) minutes of face time for sales with each customer.
- c. Government mandates such as HIPAA, Pay for Performance Initiatives, and NPI have begun to force physicians to seriously consider PM/EHR Systems.
- d. Medicare and Insurance policies requiring Electronic Health Records are being enacted that force the use of new systems.
- e. Of over the 175K+ solo and two (2)-physician practices in the United States, less than 10% utilize systems that streamline their business or the clinical side of patient care.
- f. Most practices using such systems have antiquated systems. Upgrades from their current vendors are cost prohibitive, i.e., \$40,000+ per physician.
- g. While there are some major players, there is no clear market leader.
- h. While market research companies expect the PM/EHR vertical to grow to a \$1.7 billion industry by 2008, our total addressable market is approximately \$400 million.

Management Team

The day-to-day operation of AHN is managed by Anil Thomas and Rick Stefany. Two entrepreneur/pharmaceutical sales and marketing executives have made commitments to join the AHN management team once funds have been received.

Anil Thomas

Anil's career has spanned twenty-one years with a major focus in technology. Anil leveraged his strength in technology development, and has owned his own business for the last 10 years. His company has served the healthcare and financial verticals, as well as many projects in sales force automation.

Rick Stefany

A seasoned veteran with 24 years in the pharmaceutical industry, Rick's career includes senior executive sales positions with fortune 500 companies as well as start up companies. Rick is a graduate of Villanova University.

Financial Plan Summarized

Category	Year 1	Year 2	Year 3	Year 4	Year 5
Total Gross Revenue	\$822,852	\$3,671,433	\$10,966,432	\$22,985,458	\$26,170,045
Cost of Sale	\$384,866	\$936,879	\$2,005,178	\$3,218,174	\$5,081,317
Total Gross Profit	\$437,986	\$2,734,555	\$8,961,254	\$19,767,284	\$21,088,728
Gross Margin %	53%	74%	82%	86%	81%
General Administration	\$173,600	\$284,560	\$591,948	\$1,561,810	\$3,457,530
Operations & Technology	200,000	440,000	625,000	1,095,000	1,117,000
Marketing	[\$736,200]	[\$511,700]	[\$488,700]	\$1,150,561	\$1,471,897
Sales	\$130,000	\$220,000	\$639,819	\$1,086,531	\$1,152,958
Professional Services	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Management	\$250,000	\$350,000	\$400,000	\$900,000	\$1,000,000
Total Operating Expenses	\$1,188,466	\$2,281,439	\$4,311,945	\$9,062,076	\$13,330,702
Net Operating Income (Loss) before Taxes	(\$1,101,814)	\$878,295	\$6,165,787	\$13,923,381	\$12,839,343