



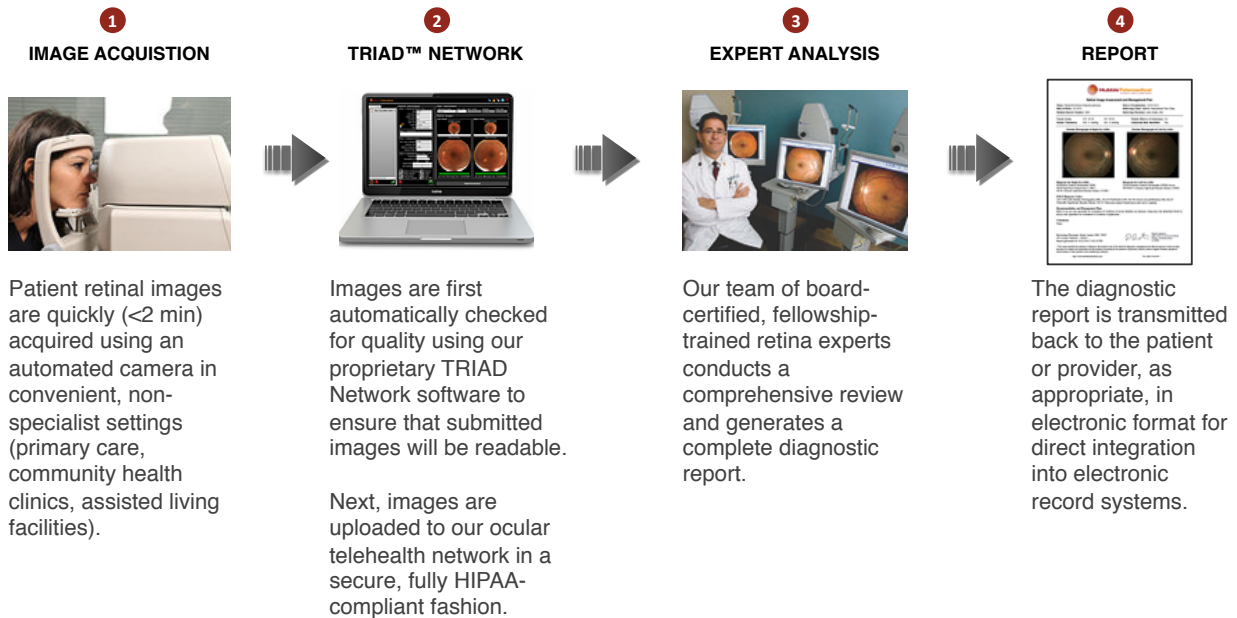
EXECUTIVE SUMMARY

Hubble Telemedical, Inc. (HTI) is fundamentally changing the healthcare delivery model for specialty eye exams. Annual retinal exams are essential to detect the presence of devastating diseases, such as diabetic retinopathy. If detected early, before the patient becomes symptomatic, treatment is highly effective and relatively inexpensive. Left undetected, however, and treatment is expensive and limited in its effectiveness. Despite these facts, as few as 30% of Americans with diabetes receive annual eye exams, because doing so has required the consumer to visit an eye care specialist, which is inconvenient and sometimes inaccessible.

HTI is changing this paradigm by permitting specialty eye exams in convenient non-specialty settings, such as primary care and retail health clinics. Using our award-winning telemedicine platform, patient images are easily and automatically acquired in the primary care setting and transmitted to our team of board-certified, remote specialists for interpretation. Diagnostic reports are then sent back to the clinic in as little as five minutes.

By improving patient convenience and accessibility, *compliance rates more than double in less than 12 months.*¹ Improved compliance yields significant value throughout the healthcare value chain: convenience and better outcomes for **patients**; increased reimbursement and quality-based incentive revenues for **providers**; and for **payers**, lower delivery and treatment costs, improved quality ratings, and in some cases increased HCC and STAR rating revenues.

How It Works:



The Market Opportunity:

Our initial clinical focus is on diabetic retinopathy (DR), a complication of diabetes that is the leading cause of irreversible vision loss and blindness among U.S. adults. Diabetes is a

¹ Garg S, et. al. Telemedicine and Retinal Images for Improving Diabetic Retinopathy Evaluation. *Arch Intern Med.* 2012; Oct 1: 1-2.

worldwide epidemic, with over 25M Americans currently having the disease, and an additional 79M who are pre-diabetic (25% of the population).² If current trends continue, one in three U.S. adults will have diabetes by 2050. Nearly every diabetic will at some point develop DR.

The current national average for an eye exam is approximately \$100; the current average retail price for a retinal eye exam from HTI is \$35. At HTI’s average price, the total available revenue opportunity in the U.S. alone is \$875M annually (recurring), growing to \$3.5B by 2020.

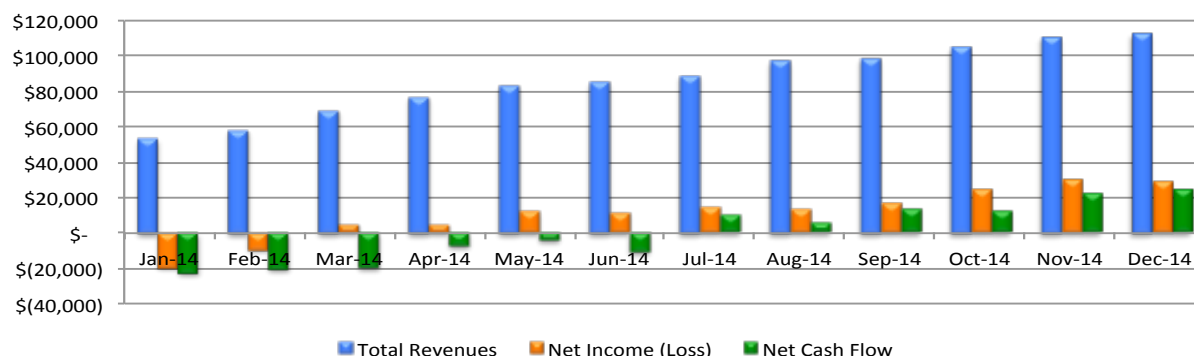
Current Status:

HTI was founded in December 2011 based on five years of clinical work and >\$7M in R&D funding from the National Eye Institute and others. At founding, MB Venture Partners (www.mbventures.com) provided an initial equity investment and the firm’s Entrepreneur-in-Residence, Chuck Witkowski, joined the company as president and CEO. Since then, HTI has assembled a world-class board of directors, including healthcare industry gurus Fred Goad (founder/CEO of Envoy, founding investor of Healthspring) and Jonathan Lord (former chief innovation and medical officer of Humana). In October 2012, we completed development of our commercial telemedicine platform, called the TRIAD Network, and launched our service.

In the near-term, we are focusing our sales efforts on Medicare Advantage (MA) and managed Medicaid providers. For these groups, annual diabetic eye exams are key HEDIS measures that impact quality ratings and revenues. For example, MA plans receive capitated payments from CMS that are based on the risk profile of each member (HCC Risk Adjustment) and bonuses of up to 10% of total revenues based on HEDIS scores (CMS’ STAR rating plan). Therefore, these plans are highly incentivized to maximize compliance for HEDIS measures such as diabetic eye exams. Current MA reference customers include Healthspring (part of Cigna) and SummaCare.

Financial Projections:

Our business model is a subscription-based model. For a fixed fee per clinic per month, HTI provides its partners with all the necessary equipment, software, service, and diagnostic interpretations. Typical contract term lengths are 24-36 months. In order to finance our growth, we are in the process of closing a financing which will bring our total paid in capital to \$1.4M. We have also obtained a \$250K line of credit to finance equipment purchases. These funds will be exclusively used to expand sales and marketing. We project sales of over \$1M in 2014 and anticipate becoming profitable in Q2 and cash flow positive in early Q3.



² <http://www.diabetes.org/diabetes-basics/diabetes-statistics/>. December 5, 2013.