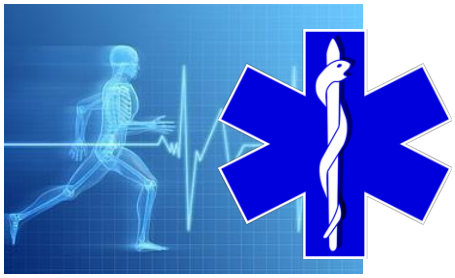

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I. EXECUTIVE SUMMARY

Company: MedLogSoft Systems is an independent services company that provides training for first responders in emergency and disaster relief scenarios. The startup is based and operated out of Austin, Texas. Our mission is to prepare civil authorities, disaster management organizations, and non-military federal agencies for the detailed hazards of their specific environments and the risks of their particular missions with customized simulation training programs.

The Problem: Government agencies currently use limited and outdated methods for training personnel on how to effectively manage their resources when deployed in different environments that include combat, natural disasters, and other high-stress scenarios. The results are individuals who are increasingly unprepared for the highly complex situations they're faced with, leading to more human errors and higher costs.

Market Segment: With our extensive connections to and knowledge of military and governmental agencies, we plan to target local, state, and national agencies in need of highly realistic scenario training for their first responders, such as police departments, the Texas Department of Public Safety, and the Federal Emergency Management Agency (FEMA).

Our Product: The Simulation-Medical Data Server (S-MDS) is a military-developed software that can effectively train groups of first responders for disaster and emergency responses. The program is delivered on individual computers in a three-day organized training session. These simulations are custom-designed for each agency's individual needs. We work with the group's coordinators to establish the particular demands and deploy our own administrators to set-up and deliver the training.

Investment Opportunity: MedLogSoft Systems is looking for a $250,000 investment for a 15% share in our company. The funds will be used for working capital to hire training administrators, deliver product updates, and account for software licensing fees. We have an estimated pre- money valuation of $1.45 million based on current market size and ease of access to current customers of alternate products. We plan to hit our breakeven point between 10 to 12 months and become cash positive in month 16 (See Exhibit A) .

II. PROBLEM

Article 1, Section 8 of the United States Constitution grants Congress the power to declare war. After war is declared or authorization to use force is approved, the President of the United States is then responsible for directing the Armed Forces as the Commander-in-Chief. The U.S. Armed Forces are well-trained and ready for any contingency, but in the area of medical needs and preparation, the training has not been to the level one should expect out of the top military force in the world. While preparing for global missions and operations, does the medical corps have access to a tool to emulate the situations that will likely occur? This capability currently is not available and needs to be addressed.

When a medical unit is preparing for deployment, they are trained and retrained only in basic medical procedures outlined in the military's overarching standard operating procedure (SOP). Although the SOP gets updated periodically in textbook format, it lacks the focus on injuries that are likely to occur in environments such as Iraq and Afghanistan. Thus, this lack of preparation can result improperly trained medical personnel being forced to make split second decisions.

why are we talking about Iraq they're targeting places like the Red Cross?

When one chooses to become a medic, that person has to deal with the reality of what will happen on missions and various military operations. Under the stress of combat, dealing with

catastrophic injuries can hinder the ability to work past the occurrence of such situations. But when personnel are fully and properly trained in these scenarios in prior simulations, the medic will be better prepared to endure the pressure and stress of a real-life scenario.

Other problems in medical readiness are not limited to the military. As natural disasters and threats of progressive violence against law enforcement and fellow citizens increase, first-aid techniques, training, and resources of civilian organizations will become increasingly stretched and will not be enough to address future catastrophes. The medical preparedness for these organizations need to be upgraded. Our interviews with emergency medical technicians (EMTs) and paramedics have revealed that military medical training and science have much overlap and our technology can represent an improvement over current practices in the civilian realm.

stats?

III. COMPANY/PRODUCT DESCRIPTION

Company

MedLogSoft Systems provides training for first responders in emergency or disaster relief scenarios. Our goal is to provide a customized simulation that goes into the detailed hazards of their specific environments and the risks of their particular missions. We will target companies with at least 100 personnel that require the training, giving us a minimum of 5 sessions. The instructors will train approximately 20 people per session at the cost of $40,000 per session with an option to train ten more individuals in the same session at an additional $10,000. The additional charge would allow the session to bring on an additional instructor, which give every ten students an instructor for guidance during the simulation/hands-on training.

Development Status of Technology

The U.S. Army working with the University of Texas in Austin developed a digital training system, S-MDS, to bring the current instruction method into the Digital Age. Currently, the software is in version 3.1. S-MDS specifically focuses on medical situation awareness in an operational theater as well as the ability to instruct navigation of the military's Medical Information Systems Management office. The technology requires further funding to support other training simulations within the different military branches. The funding will also be used to overhaul and design the necessary training required for the civilian sector such as police, fire and emergency medical services (EMS). The system can readily be deployed to improve training once the digital instruction has been developed for the new sectors.

I thought the military wasn't being targeted?

IV. INDUSTRY AND MARKET ANALYSIS

Medical Simulation Market

The global healthcare/medical simulation market is segmented on the basis of products/services, end users, and regions. In regards to products and services, the medical simulation market is further segmented into smaller specialized markets that include: medical simulation anatomical models, web-based simulation, simulation software, and simulation training services. The medical simulation anatomical models segment accounted for the largest share of the market as the rest combined: patient simulators, task trainers, surgical simulators, endovascular simulators, ultrasound simulators, dental simulators, and eye simulators. However, the market segment expected to experience the greatest rate of growth in the next five years is web-based simulation. Some of the major drivers for this market are: the wide availability of

Internet services, controlled and predictable environment, and controlled access. The healthcare/medical simulation market as a whole is expected to reach $2.27 billion by 2021.[1]

Simulation Training Services

The simulation software can be further segmented by training capabilities through the use of performance recording software and virtual tutors. The simulation training services are then classified into vendor-based training services, custom consulting services, and educational services. This market services a large number of customers working in academic institutions, hospitals, military units, and other institutions. The academic segment accounts for the largest share of the healthcare/medical simulation market due to increasing awareness of patient safety, focus on minimizing medical errors, and the rising number of medical school enrollees.

Educational grants are expected to rise and healthcare infrastructure is expected to improve in support of this growing segment.

stats?

Regional Market Operations

Last year, North America was the largest market for medical simulation products and services, followed by the European and Asia-Pacific (APAC) regions. The presence and expansion of major companies through acquisition have improved the accessibility of medical simulation products and services in the North American and European regions. Research has shown that future growth of the medical simulation market will be driven by the APAC and Latin American regions, mainly due to the continuous efforts toward the development of the healthcare sector in these regions. These economies have gone as far as to modify the regulations and monitor the implementation of procedures, policies, and guidelines to promote innovation and commercialization in this sector. These favorable conditions attract entrepreneurs and

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also, how are they going to expand to those areas?

[1] "Healthcare/Medical Simulation Market worth 2.27 Billion USD by 2021." Markets and Markets. http://www.marketsandmarkets.com/PressReleases/healthcare-medical-simulation.asp.

leading industrialists. Along with general market trends, the growing number of hospitals, academic institutions, and medical devices propel the market for medical simulation. Lastly, an increasing focus on medical education, training, and research in India and China indicates strong potential for the medical simulation market in the APAC region.[2]

Competitors/Competing Technologies

In the industry, there are currently several technology companies driving innovation in the software simulation world. Of the top companies in the global market, Laerdal Medical AS in Norway and CAE, Inc. from Canada hold the majority of shares of the healthcare/medical simulation market and are expected to dominate for the next five years. Meanwhile in the United States, 3D Systems, Inc., Simulab Corporation, Simulaids, Inc., and Gaumard Scientific Company, Inc. are the major players in development of the simulation software used throughout the medical industry.

none of these have similar products

Although these companies currently dominate the market, most of them focus on academic institutions and hospital sectors as their main customer base. Thus, applications for military organizations and emergency response/disaster relief agencies' needs have been neglected. Software for these organizations needs to be tailored to specific scenarios based on the operations of the entities as well as be fluid and easily adaptable to changes in mission. Our competitors currently offer several technologies that contain similar features of we want to provide to our customer base.

is there a reason why this is an open niche? Is there demand? Is there funding available?

Here are a few of those technologies and how they serve their markets.

JMPT (Joint Medical Planning Tool): Derived and built from the SMD-S software, this is the training program currently used to train Army, Air Force, and some civilian medical personnel

[2] Ibid.

on the movement and tracking of patients, medical records, and command/control procedures. This tool is an alternative to the Marine Corps' TMIP-J (Theater Medical Information Program- Joint) and the Navy's MMM (Maritime Medical Modules) software that sustains base medical applications into a multi-service system for deployed forces' use.

- Medical capabilities
- Electronic health record
- Medical command and control
- Medical logistics
- Patient movement and tracking
- Patient data to populate the TMDS (Theatre Medical Data Store-theater database) and the Clinical Data Repository

ETC ADMS (Advanced Disaster Management Simulator): This tech offers challenging, surreal

virtual environments built to train incident command and disaster management teams from top- to-bottom. This allows trainees gain the confidence, practical experience, and risk-mitigation skills needed to successfully resolve real-life incidents. Furthermore, the software prepares first responders using a training system to practice incident command and control in a disaster. Its key feature simulates the stress of a real incident where participants can practice disaster management in a safe controlled environment. Lastly, the exercises can be repeated.

Risk Management Solution (Simulation Software): A catastrophe risk modeling company that

helps financial institutions and public agencies understand, quantify, and manage risk of natural and human-made disasters. This company provides mostly analytical data that can be transferred from system to system and applied in multiple disaster arenas.

SABC (Self-Aid Buddy Care): SABC is the current program used to train "first-aid" response in the Air Force. It is a two-part training which consists of an hour-long computer-based training (CBT) module and a hands-on module, which goes through performing the combat lifesaver tasks that the user learned about in the prior CBT. The basic life support and limb-saving techniques encompassed in this program are to help wounded or injured personnel survive in emergencies until certified medical personnel arrive. SABC training is completed every 24 months (at a minimum) and is administered to Active Duty, Guard, and Reserve Air Force personnel. According to our interviews, the hands-on training in particular is in high demand by the end users.

V. COMPETITIVE ADVANTAGE

S-MDS is a portable, scalable simulation that can be used in connected or standalone mode. A soldier can be trained within two to three hours of classroom instruction. Our MedLogSoft Systems version of this technology is streamlined and can be adopted for use in virtually any military or civilian setting. We will merge the mobility aspects of JMPT with the lifesaver training from the SABC program, in order to reach a large number of the end users in the market. Developed in response to military demands, S-MDS runs theater simulations so that users can become familiar with environmental conditions before applying it in real life under duress.

Unlike other simulators, S-MDS uses data from past scenarios where the military has operated to create new, but similar conditions to prepare for strategic planning. Furthermore, S-MDS is flexible to the extent that it may be customized to run any type of mass medical casualty situation, either manmade or natural (See Exhibit D).

Its algorithm is developed specifically to train decision makers on how to work through a wide range of scenarios and not just limited to first responders. Lastly, as software, S-MDS is a

low-cost training solution that does not require additional hardware or infrastructure in order to implement.

VI. MARKETING STRATEGY

Segmented Market Focus

Via conversations with Aaron Lawyer and Brian Baldwin, the inventors of the technology, we learned that S-MDS has been used by the military for the past seven years and has been further developed to its 3.1 Version. The S-MDS has gained interest from a few venture capitalists (VCs) in the past, but nothing has come to fruition as of yet. After the conversations with the inventors, current users, and potential customers, our team identified the market that would most benefit from the technology. In particular, we have keyed in on emergency responders and disaster relief organizations.

- Texas Division of Emergency Management
- Federal Emergency Management Agency (FEMA)
- Red Cross
- National Guard (In non-traditional military settings)
- Medical Responders (EMT, Fire Department)
- Police Departments

how much do these places spend a disaster preparedness?

The S-MDS could serve as a modifiable training software applied by local state agencies in order to analyze all risks involved during an emergency and create a response plan for specific events. Using its vast database of past historical scenarios, the S-MDS algorithm can run alone as a situation assessment that minimizes the costs of man hours and data input. With this feature,

we can differentiate and utilize the customer as a key contributor to the development of the program, as each training session would be based on the most realistic scenario based on the given emergency or disaster. Since no two scenarios are alike, each end user would get a specialized training session.

Market Entry

We plan to court several government agencies at multiple levels in a coordinated process to enter the market for several of our target segments. The funding source for all of the targeted segments will be taxpayer funds. Our overall goal is to become a part of an agency's annual training budget. This will involve approaching the city council and working through the political process to put our proposal on the ballot. After the ballot gets passed, we will then have funds to introduce the product after coordinating with current training curriculum.

would they really need annual training?

At the federal level, agencies would acquire our product through a direct purchase from the procurement officer: our contract specialist. The buying process for federal agencies is that it will be a one-time purchase if the purchase request is made at the agency's national office. For example, for the National Guard Bureau, the top office for every state's reserve component is the source of federal funding distribution. A contract from this procurement office will launch S- MDS as the new standard for all state National Guard units to emulate.

how would this happen? Bill from Congress?

VII. FINANCIAL ANALYSIS

Pricing

Our pricing of $40,000 per session is based on the current training taking place with the S-MDS software. We are sticking with the original $40,000 fee as we want to be able to modify

this according to the specific customer without raising the price. We will make up for the extra costs in modifications and maintenance by the frequency of training.

Funding

Based on our financial outlook, our trough leads us to seek an investment of $250,000 for a 15% share of our company on a pre-money valuation of $1.45 million. We plan to hit our breakeven point between 10 to 12 months and be cash positive by month 16 (See Exhibit A).

Growth Opportunities

We see opportunity to maintain consistent growth in the first five years performing no more than ten training sessions a month at a growth rate of 152% YoY (See Exhibit B). We already established contact with many of our target customers who are already receiving their training with the Army, via our board of advisors some of whom are providing the instruction.

Exit Strategy

Our exit plan after five years is to be acquired by a larger simulation training facility, a corporation that deals with training or government forces domestic or foreign like MPRI (Military Professional Resources Inc.). If acquired, we estimate our potential exit valuation of to be around $9.6 million (See Exhibit C).

VIII. APPENDICES

EXHIBIT A: TWO-YEAR FINANCIAL OUTLOOK

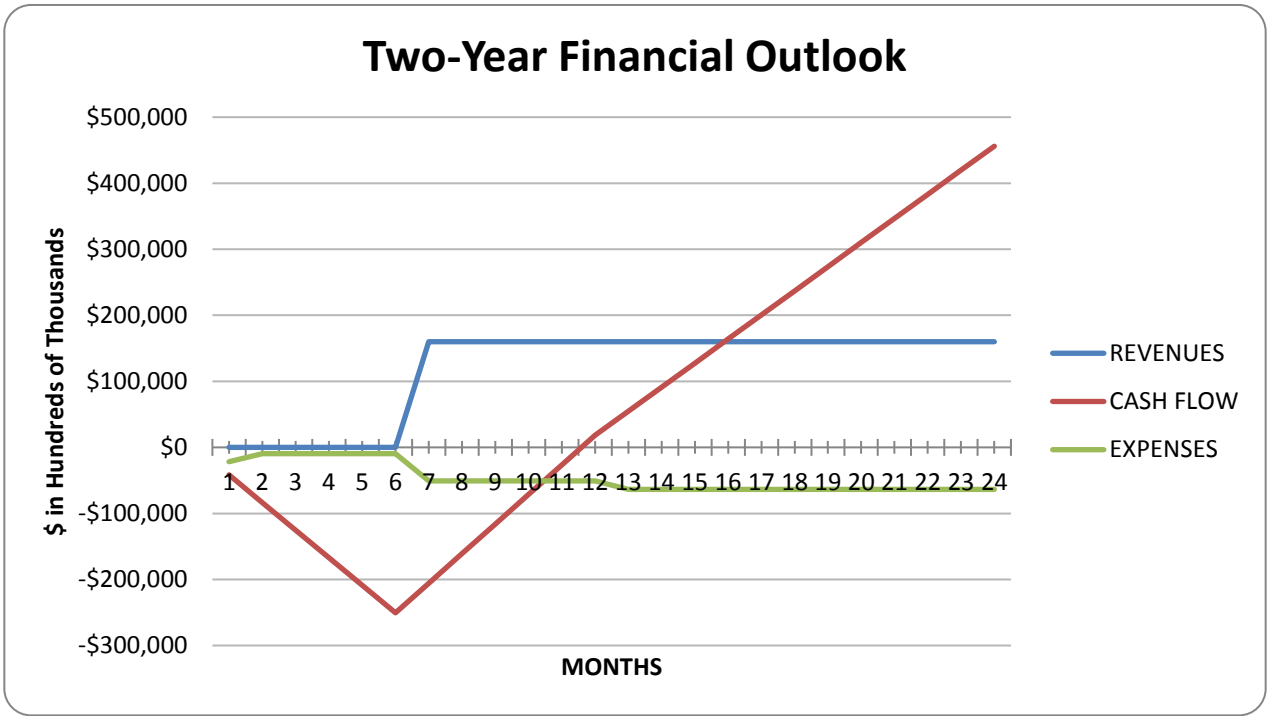


EXHIBIT B: REVENUE/PROFIT SUMMARY

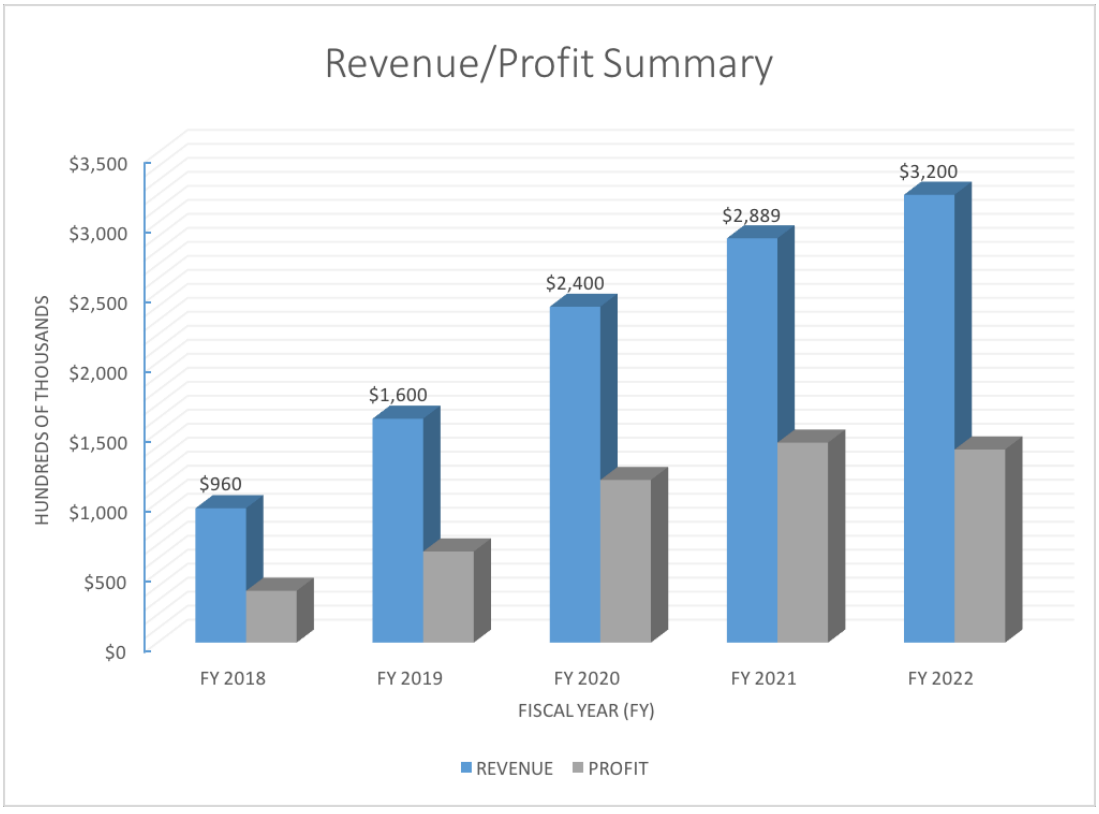


EXHIBIT C: BUSINESS MODEL/FINANCIAL STATEMENTS

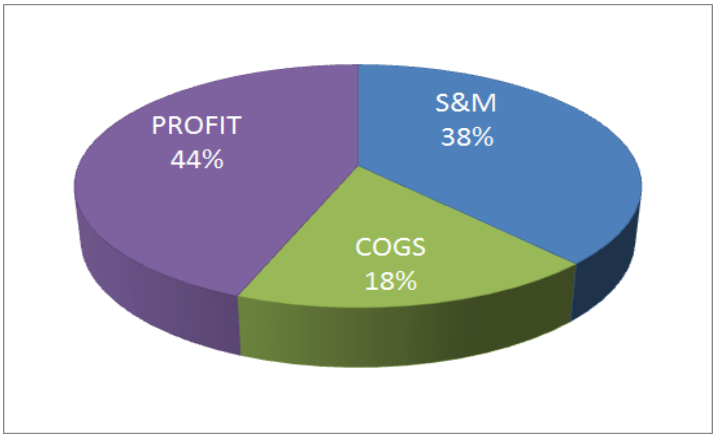
C1. Income Statement

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Gross Income	$ 960,000	$ 1,600,000	$ 2,400,000	$ 2,880,000	$ 3,200,000
COGS					
Maintenance	$ 26,000	$ 29,900	$ 34,385	$ 39,543	$ 45,474
Licensing	$ 56,000	$ 56,000	$ 56,000	$ 56,000	$ 56,000
Facilities	$ 20,000	$ 23,000	$ 26,450	$ 30,418	$ 34,980
Utilities	$ 24,000	$ 40,000	$ 60,000	$ 72,000	$ 80,000
Equipment	$ 12,500	$ 18,375	$ 21,000	$ 23,625	$ 26,250
Trainers	$ 90,000	$ 90,000	$ 139,050	$ 190,800	$ 437,204
Total COGS	$ (228,500)	$ (257,275)	$ (336,885)	$ (412,385)	$ (679,909)
Gross profit	$ 731,500	$ 1,342,725	$ 2,063,115	$ 2,467,615	$ 2,520,091
Operating Expenses					
SG&A	$ 218,000	$ 426,000	$ 511,480	$ 572,960	$ 622,440
Advertising	$ 144,000	$ 240,000	$ 360,000	$ 432,000	$ 480,000
Facilities depreciation	$ -	$ 25,000	$ 28,750	$ 32,500	$ 36,250
Equipment depreciation	$ -	$ 625	$ 656	$ 688	$ 719
Total	$ (362,000)	$ (691,625)	$ (900,886)	$ (1,038,148)	$ (1,139,409)
Operating income (EBIT)	$ 369,500	$ 651,100	$ 1,162,229	$ 1,429,467	$ 1,380,683
Income taxes	$ (129,325)	$ (227,885)	$ (406,780)	$ (500,314)	$ (483,239)
Net income	$ 240,175	$ 423,215	$ 755,449	$ 929,154	$ 897,444

C2. Business Model/Industry Comparison

SERVICES (Industry)	SALUTEM SYSTEMS FY2018		FY2019		FY2020		FY2021		FY2022	
REVENUES: 100%	$960.0	100%	$1,600.0	100%	$2,400.0	100%	$2,880.0	100%	$3,200.0	100%
COGS: 35%	$362.0	38%	$692.0	43%	$901.0	38%	$1,038.0	36%	$1,139.0	36%
MANUFACTURING: 0%	$0.0	0%	$0.0	0%	$0.0	0%	$0.0	0%	$0.0	0%
S&M: 35%	$229.0	24%	$257.0	16%	$337.0	14%	$412.0	14%	$680.0	21%
PROFIT: 30%	$370.0	39%	$651.0	41%	$1,162.0	48%	$1,429.0	50%	$1,380.0	43%

C3. 5 YEAR AVERAGE SPEND


S&M
38%
COGS
18%
PROFIT
44%

C4. Statement of Cash Flows

	FY2018	FY2019	FY2020	FY2021	2022
Operations					
Net income	$ 240,175	$ 423,215	$ 755,449	$ 929,154	$ 897,444
Depreciation and amortization	$ -	$ 25,625	$ 29,406	$ 33,188	$ 36,969
Accounts Receivable (NET30)	$ -	$ (78,904)	$ (52,603)	$ (65,753)	$ (39,452)
Total from operations	$ 240,175	$ 369,936	$ 732,252	$ 896,588	$ 894,960
Investing					
PPE	$ (32,500)	$ (15,750)	$ (18,044)	$ (20,855)	$ (24,261)
Total from Investing	$ (32,500)	$ (15,750)	$ (18,044)	$ (20,855)	$ (24,261)
Financing					
Issue (buy back) of common stock	$ (1,646,713)	$ 3,169,278	$ 4,361,008	$ 6,187,753	$ 6,778,301
Net cash inflow (outflow)	$ (1,439,038)	$ 3,523,464	$ 5,075,216	$ 7,063,486	$ 7,649,000
Beginning cash balance	$ -	$ (1,439,038)	$ 2,084,426	$ 7,159,643	$ 14,223,129
Ending cash balance	$ (1,439,038)	$ 2,084,426	$ 7,159,643	$ 14,223,129	$ 21,872,129

EXHIBIT D: COMPETITOR COMPARISON

	Adaptive	Custom Designed	Interactive Software	Disaster Preparedness	Hands-on Training	Virtual Simultion
	✓	✓	✓	✓	✓	✓
JOINT MED PLANNING TOOL	✗	✗	✓	✗	✓	✗
ADMS	✗	✗	✓	✓	✓	✓
RMS	✗	✓	✗	✓	✗	✗
SELF-AID BUDDY CARE	✗	✗	✓	✗	✓	✗