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HLM Leads \$7 million Financing for Medicalis

Company provides next generation diagnostic imaging management solutions

Boston, MA, August 18, 2008 - HLM Venture Partners, a Boston and San Francisco-based health care venture capital firm, announced that it has led a \$7 million Series B financing in Medicalis Corporation, an expansion-stage health care information company providing next generation, clinical decision support software and integration technologies focused on improving the quality and efficiency of diagnostic imaging in health care. The company is headquartered in Kitchener, Ontario in the Waterloo region outside of Toronto.

The Company's diagnostic imaging market is very large and has experienced robust growth driven by a combination of favorable demographic factors and technological advances. In the U.S. health care system alone, diagnostic imaging services generate more than \$100 billion in annual revenues with more than 600 million annual diagnostic imaging studies. Medicalis has successfully commercialized its clinical decision support product suite ("Percipio") and integration technologies ("Intelligo") among a diverse group of customer sets that

include integrated delivery networks, community hospitals, imaging chains, government and payor-related entities.

“We believe Medicalis offers a unique investment opportunity” said Peter Grua, the HLM partner directing the transaction. “The Company is well positioned to capitalize on the growing market opportunity presented by the increasing reliance by doctors and hospitals on diagnostic imaging. The Company’s products enhance patient care through appropriate test ordering and results review, and also help to deliver clinical evidence based guidelines and up-to-date patient medical information to community and hospital-based physicians at the point of care.”

Ron Kelly, the President and CEO of Medicalis, commented on the transaction, “With access to this additional growth capital from HLM, we plan to enhance our sales and marketing efforts and believe we can greatly expand the use of our products and services.”

Mr. Kelly continued, “Our products optimize the use of limited health care resources and improved financial performance of our customers. By monitoring and managing clinical and organizational effectiveness, the Medicalis technologies help ensure that patients receive the right test first, insurance eligibility matters are addressed upfront, and clinically inappropriate and duplicative tests are reduced. “

Peter Grua, a partner at HLM Venture Partners is joining the Medicalis Board of Directors. Medicalis was advised by the investment bank B.C.Ziegler & Company.

About HLM Venture Partners HLM Venture Partners provides venture capital to emerging companies focused on health care information technology, health care services and medical technology. HLM has helped more than 60 privately-

held health care companies turn innovative ideas into market-leading businesses. The company's investment professionals have over 125 years of collective expertise in the health care industry, an accumulation of knowledge and experience that is invaluable to the leadership of its portfolio companies. For more information, visit: www.hlmventurepartners.com

About Medicalis Corporation

Medicalis is a leading provider of health care information technology and decision support for diagnostic health care. Medicalis delivers web-based clinical and integration services to physicians, providers and health plans to provide a coordinated system for order entry, decision support, authorization management, scheduling, results management and analytics. Medicalis is pioneering efforts that encode clinical guidelines for use at the point-of-care and address the issues of unnecessary testing, resource utilization and patient safety. For more information visit www.medicalis.com.

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