iMovR's development of the CloudStation, which began in 2013, was predicated on the prevailing high-bandwidth communications options that were most readily available in the enterprise environment at the time. Our expectation for connecting the workstation to the cloud was either through a secured Wi-Fi or hardwired Ethernet connection. This came with its own challenges of penetrating larger enterprises' firewalls to get to the open cloud.

The treadmill activity sensor technology that was <u>patented</u> in 2014 was in fact deployed in the research field (e.g. with The Mayo Clinic) to collect valuable data on the <u>metabolic benefits of treadmill desk usage</u>, but was not brought to the commercial market as originally planned.

The reason for this is that in the intervening years the preponderance of Bluetooth-equipped smartphones obviated the need for manufacturing the CloudStation, at least for iMovR's own treadmill products to communicate with the cloud. Instead, we have developed a replacement treadmill controller with a Bluetooth interface that can connect to the cloud through the user's smartphone. This has several additional benefits in addition to circumventing any enterprise firewall issues.

The new controller (a pre-production prototype of which is shown here), installs side-by-side with the desk's height control handset, thus eliminating the desktop "brick" and recovering real estate on the user's workstation. More functionality will be easier to add over time in the accompanying smartphone app than in the "brick," which has limited computing power compared to current smartphone technology. The plastic housing of the controller has the same angular aspects as iMovR's Lander Desk hand controller for aesthetic compatibility.



This new Bluetooth-equipped handset is currently in final test and will be put through UL certification in 2021. Once certified it will be immediately put into production and replace the current desktop brick controller on all new shipments of the ThermoTread GT. The new controller is backward compatible with all existing iMovR treadmill bases.

We sincerely apologize for the many delays in delivering this capability versus earlier our promises. iMovR has experienced tremendous growth over the past few years and we were forced to prioritize our engineering resources around other products that customers expressed higher demand for. The good news is that the new solution is more elegant and far more "future-proof" than the original CloudStation design, as it is easier to update smartphone apps in the field than hardware devices.

We still intend to bring the CloudStation to market someday for the purpose of connecting 3rd party office treadmills to our cloud platform, but this is a secondary priority after giving our own iMovR treadmill users the capability to do so by swapping out their desktop controller for the new under-desk controller.

We also realize that several customers, like you, have been waiting a very long time for this, and we would like to offer you to join our beta test program in exchange for a free upgrade to the new controller. The beta program will be limited to the first ten participants who join. Please let us know if you would be interested in joining the <u>beta test customer group</u>.