GLOBAL MED TECHNOLOGIES INC
Form 10-K
March 16, 2010

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 0 - 22083

GLOBAL MED TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Colorado	84-1116894
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

12600 West Colfax, Suite C-420, Lakewood, Colorado
80215

(Address of principal executive offices) (Zip Code)

Registrant s telephone number: (303) 238-2000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $.01 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10- K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes o No þ

The aggregate market value of voting and non-voting stock held by non-affiliates of the registrant, based upon the closing sales price of its common stock on June 30, 2009 was $19,826,820.

The number of shares of the registrant s common stock, $.01 par value, outstanding as of March 1, 2010 was 38,445,725.

Table of Contents

GLOBAL MED TECHNOLOGIES, INC.
FORM 10-K
December 31, 2009
TABLE OF CONTENTS

Table of Contents

Table of Contents

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including Management s Discussion and Analysis of Financial Condition and Results of Operations, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (1933 Act), and Section 21E of the Securities Exchange Act of 1934, as amended (1934 Act), and Global Med Technologies, Inc. (Global Med) intends that such forward-looking statements be subject to the safe harbors for such statements under such sections. Our forward-looking statements include, among other things, the plans and objectives of management for future operations of companies acquired during 2009, our plans and objectives relating to our business strategy, our planned product enhancements and new product development, our planned marketing efforts and the future economic performance of Global Med. These forward-looking statements are (1) identified by the use of terms and phrases such as believe , expect , anticipate , assume , will , should , could , intend , plan , estimate , objective , goal and other similar words and expressions, and (2) are subject to risks and uncertainties and represent our current expectations or beliefs concerning future events. Global Med cautions that the forward-looking statements are qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements. These risks, uncertainties and other factors are described throughout this Annual Report on Form 10-K and include those outlined in Part I, Item 1A RISK FACTORS . Many of these factors are beyond our control. Our forward-looking statements represent estimates and assumptions only as of the date of this Annual Report on Form 10-K. Except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this Annual Report on Form 10-K.

Table of Contents

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Overview

Global Med Technologies, Inc. was incorporated in the State of Colorado in December 1989. Our principal executive office is located at 12600 West Colfax, Suite C-420, Lakewood, Colorado 80215 and the telephone number for this office is (303) 238-2000. Our principal U.S. business office is located at 4925 Robert J. Mathews Parkway, Suite 100, El Dorado Hills, California and the telephone number for this office is (916) 404-8400. Our European headquarters is located at 235 rue de l Etang, Limonest, France and the telephone number for this office is +33 (0) 478 66 53 53. Unless otherwise noted, or if the context otherwise requires, references in this Form 10-K to Global Med , the Company , we , our , and us refer to Global Med Technologies, Inc. and its subsidiaries.

Global Med Technologies, Inc. is an international medical software company that develops regulated and non-regulated products and services for the healthcare industry. We are a leading provider of blood and laboratory software systems and services and our products are deployed in 24 countries and serve over 2,300 transfusion centers, blood banks and laboratories.

Global Med s domestic divisions are (1) Wyndgate Technologies®, a leader in software products and services for donor centers and hospital transfusion services; (2) eDonor®, which offers web-based donor relationship management systems; and (3) PeopleMed.com, Inc., which provides software validation, consulting and compliance solutions to hospitals and donor centers. PeopleMed.com, Inc. is owned 83% by Global Med Technologies, Inc., 11% by the Company s Chairman and CEO, and 6% by third parties. Our European subsidiary, Inlog, S.A.S. (formerly Inlog S.A.), is a developer of donor center and transfusion management systems as well as cellular therapy software, laboratory information systems and quality assurance medical software systems which are marketed internationally.

Significant Developments

On January 31, 2010, Global Med, entered into an Agreement and Plan of Merger (the Merger Agreement) with Haemonetics Corporation, a Massachusetts corporation (Haemonetics), and Atlas Acquisition Corp., a Colorado corporation and a wholly-owned subsidiary of Haemonetics (the Acquisition Sub). Under the terms of the Merger Agreement, Acquisition Sub commenced a tender offer for shares of Global Med s common stock, par value $0.01 per share (the Global Med Common Stock), at a price of $1.22 per share, net to the holders of Global Med s Common Stock in cash, and for shares of Global Med s Series A Convertible Preferred Stock, par value $0.01 per share (Global Med Preferred Stock), at a price of $1.22 per share on a converted to common stock basis, net to the holders of Global Med Preferred Stock in cash (the Offer). The Offer commenced on February 19, 2010 and will expire at 12:00 midnight, Boston Massachusetts time, on March 18, 2010, subject to certain extension rights and obligations set forth in the Merger Agreement. The Offer is conditioned on the tender of a majority of the outstanding shares of Global Med Common Stock and Global Med Preferred Stock and other customary conditions. Based on Global Med s approximately 50 million diluted common equivalent shares outstanding, the estimated net value of the transaction is approximately $61 million.

Following the consummation of the Offer and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, the Acquisition Sub will merge into Global Med (the Merger) and Global Med shall continue as the surviving corporation. The closing of the Merger is subject to approval by holders of a majority of the then outstanding shares of Global Med Common Stock and Global Med Preferred Stock. The parties, however, have agreed that in the event that Acquisition Sub acquires at least 90% of the outstanding shares of each of Global Med Common Stock and Global Med Preferred Stock then outstanding on a fully diluted basis, pursuant to the Offer or otherwise, the parties shall take all necessary and appropriate action to cause the Merger to become effective as soon as practicable without a meeting of shareholders of Global Med or the solicitation of written consents of such shareholders, in accordance with applicable laws.

Table of Contents

Following the announcement of the Merger Agreement, several lawsuits were filed against the Company, Acquisition Sub, Haemonetics, Michael I. Ruxin, M.D., Thomas F. Marcinek, Sarah L. Eames, T. Kendall Hunt and Robert R. Gilmore. (Dr. Ruxin, Mr. Marcinek, Ms. Eames, Mr. Hunt and Mr. Gilmore, collectively, the Individuals and together with the Company, Acqusition Sub, and Haemonetics, the Defendants). These actions allege, among other things, that the Individuals breached their fiduciary duties to Global Med s stockholders, that the bidding mechanism was inadequate, and that the Individuals failed to take reasonable steps to maximize the value realizable for the shares of common stock. These actions were consolidated on March 10, 2010 into a single lawsuit. The plaintiffs seek, among other relief: (1) injunctive relief against Acquisition Sub s acquisition of the Company s shares through its cash tender offer; (2) monetary and/or rescissory damages; and (3) costs of the action, including the fees and expenses of attorneys and experts. On March 11, 2010, the plaintiffs filed a motion to seek a temporary restraining order to enjoin the Offer. The Company believes that these actions are without merit and plans to vigorously defend against them. See the section entitled Legal Proceedings in Part I, Item 3 of this Annual Report on Form 10-K for further discussion.

Principal Products and Their Markets

Global Med designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion centers and other health care related facilities. Revenues are derived from the software licenses, annual maintenance fees, implementation, consulting and other value added support services, and the resale of software obtained from vendors.

Our core products and their related components were developed by our Wyndgate division and include: SafeTrace®, SafeTrace Tx®, and our ElDorado product suite. As of December 31, 2009, these products were in use in over 800 sites in five countries. SafeTrace is used to assist community blood centers, hospitals, plasma centers and outpatient clinics in the U.S. in complying with the quality and safety standards of the U.S. Food and Drug Administration (the FDA) for the collection and management of blood and blood products. SafeTrace Tx is a transfusion management information system that is designed to be used by hospitals and centralized transfusion centers to help insure the quality of blood transfused into patient-recipients. SafeTrace Tx provides electronic cross-matching capabilities to help insure blood compatibility with patient-recipients and tracks, inventories, bills and documents all activities with blood products from the time blood products are received in inventory to the time the blood products are used or returned to blood centers. SafeTrace Tx complements SafeTrace, because the combined SafeTrace Tx and SafeTrace software system is also able to integrate hospitals with blood centers and provide a vein-to-vein Ò tracking of the blood supply.

Our ElDorado product suite represents the next generation of our software and we intend for it to provide a fully-integrated menu of blood management products using advanced tools and technologies. Donor Doc , the first module of the ElDorado product suite was released in May 2007. Donor Doc is an electronic history questionnaire that assists in the blood donor screening process. In February 2008, we released ElDorado Donor, a comprehensive blood management software application designed to provide for the information system needs of blood banks and donor centers. The software manages, automates, and controls activities associated with donors, donor collections, testing, manufacturing, inventory, and distribution. ElDorado Donor was developed with scalability in mind and can manage the system needs of diverse facilities, from small hospital blood banks to community blood centers, to regional and national centers, both domestically and internationally. The blood management software has been designed with input from our technology workgroup which is comprised of leading industry representatives from around the world. The work group s contributions were considered throughout the ElDorado Donor development process to produce a feature-rich and user-friendly solution.

Our Inlog S.A.S. (formerly Inlog S.A.) subsidiary, which we acquired on June 26, 2008, has been developing, implementing, and supporting its blood bank information management solutions since 1992 and currently supplies over 800 sites in 20 countries with its products. Its product line consists of five primary products: EdgeBlood (for the donor center market), EdgeTrace (for the hospital transfusion market), EdgeLab (a laboratory information system LIS), EdgeCell (cellular therapy for tissue banks, stem cell centers and cord blood centers) and SAPA (a regulatory compliance and document management solution). Inlog performed the national installation of its EdgeBlood product in France where all of that country s 2.5 million annual blood donations are transacted through EdgeBlood including blood collections, infectious disease testing, component manufacturing and distribution. In addition to France, Inlog

has software applications in Germany, Austria, Belgium, Canada, Switzerland, Greece and Monaco, among other countries.

Table of Contents

Our eDonor product, which we acquired on August 1, 2008 with the acquisition of substantially all of the assets of Blueridge Solutions, L.C., is a web-based donor relationship management system that integrates recruitment, scheduling, retention and fulfillment for blood donation centers of all sizes. As of December 31, 2009, eDonor was in use at 93 sites.

In 1999, we introduced PeopleMed , through our PeopleMed.com, Inc. subsidiary. PeopleMed supports chronic disease management as an Application Service Provider (ASP). PeopleMed s system helps system users coordinate sources of information and users of a patient s clinical information, including laboratory, pharmacy, primary and specialty care providers, claims, and medical records. PeopleMed began offering validation services to the blood bank industry late in 2007. Validation services include documenting and testing systems to enable the user of these systems to conform to specific requirements and regulations. In the fall of 2007, PeopleMed s services were expanded to include validation activities and offering of quality-certified resources to help clients and non-clients perform FDA-required user validation testing on blood bank software systems prior to clients first use of our software (Go-Live). In addition to Go-Live activities, PeopleMed also offers independent services for system revalidation for clients who are upgrading to newer versions.

With our acquisitions of Inlog and eDonor, our software products are now used in 20 countries, including the United States, Canada, and certain countries located in the European Union and Africa, among others. With the acquisition of Inlog, we immediately expanded our international footprint and with the acquisition of eDonor we gained a complementary product to our existing product offerings.

We intend to continue to commit significant research and development resources to the development of our ElDorado product suite, as well as to continuously improve our existing products. Some of our new products will be considered medical devices by the FDA and we will be required to obtain FDA 510(k) clearance for these medical devices prior to their sale or introduction into the U.S. market, as more fully discussed below in Government Approval and Regulation . During the years ended December 31, 2009 and 2008, total research and software development expenditures totaled $4.396 million and $3.824 million, respectively. Of the total expenditures during 2009 and 2008, $198 thousand and $284 thousand, respectively, were capitalized.

Government Approval and Regulation

The FDA considers software products used in the manufacture of blood and blood components and/or used in the maintenance of data used to evaluate the suitability of donors and the release of blood or blood components for transfusion or for further manufacturing to be medical devices . Consequently, our SafeTrace, SafeTrace Tx, ElDorado Donor, and DonorDoc products are considered medical devices and are subject to regulations adopted by governmental authorities, including the FDA, which govern blood center computer software products regulated as medical devices. As a medical device manufacturer, Global Med is required to register with the Center for Biologics Evaluation and Research (CBER), list its medical devices, and submit a pre-market notification or application for pre-market review (510(k) clearance). We have received and consistently maintained 510(k) clearance on our SafeTrace, SafeTrace Tx, ElDorado Donor and Donor Doc products, as required. In addition, we are required to follow applicable Quality System Regulations (QSR) of the FDA, which include extensive quality assurance, control and documentation requirements.

Our Inlog subsidiary is ISO 9001:2000 certified and its products have received the NF/ISO 25051/12119 certification indicating the highest level of quality regarding the design, testing and validation of its software, its documentation quality and the quality of its product support and maintenance.

Congress enacted the Health Insurance Portability and Accountability Act (HIPAA) of 1996 to improve the efficiency and effectiveness of the health care system. HIPAA included Administrative Simplification provisions that required the Department of Health and Human Services (HHS) to adopt national standards for electronic health transactions. Congress also recognized that advances in the introduction of electronic technology into wider use in the health care industry required federal standards and enforcement authority for maintaining the privacy, protection, and security of individually identifiable health information. The Office of Civil Rights of HHS, the agency responsible for enforcing HIPAA, has since promulgated and amended a Privacy Rule and a Security Rule to achieve these objectives.

HIPAA designates as covered entities health plans, health care clearinghouses, and health care providers who transmit health information in electronic form in connection with a transaction covered by HIPAA (Covered Entities). Covered

Table of Contents

Entities may engage other individuals and entities to assist in their performance of functions or activities that involve the use or disclosure of individually identifiable health information. These individuals and entities are referred to as business associates (Business Associates). Covered Entities and their Business Associates are required to enter into Business Associate Agreements in which the Business Associate agrees to be governed and abide by the applicable terms and conditions of HIPAA. Global Med would be considered a Business Associate of a customer if the customer is a Covered Entity and the nature of the relationship requires Global Med to use or disclose individually identifiable health information.

The American Recovery and Reinvestment Act (ARRA) recently enacted the HITECH Act which extends the scope of HIPAA to permit enforcement against business associates for a violation, establishes new requirements to notify the Office of Civil Rights of HHS of a breach of HIPAA, and allows the Attorneys General of the states to bring actions to enforce violations of HIPAA. Rules implementing various aspects of HIPAA are continuing to be developed. The HITECH Act imposes breach notification standards, and penalties for non-compliance, on Covered Entities and Business Associates that become aware of a breach of HIPAA. The breach notification requirements and potential penalties are more stringent if the Covered Entity or the Business Associate are not compliant with certain security standards designated by the Secretary of HHS. Regulations to implement the HITECH Act are in process. Many of Global Med s software products were designed and developed to facilitate HIPAA compliance and we believe that the requirement for Covered Entities and their Business Associates to achieve and maintain HIPAA compliance will continue to create demand for our products and services.

Competition

The market for medical software is highly competitive. Our competitors include companies with products designed and marketed solely for use as blood management information systems, as well as companies that provide a blood management information system as part of an integrated laboratory information system. Our primary competitors include Mediware Information Systems, Inc., SCC Soft Computer, and Eclypsis Corporation. We believe that the principal competitive factors affecting the market for our products include the quality, reliability and effectiveness of the software solution, technical features, ease of use, value-added consulting services, responsive customer service and support, customer base, distribution channels, and the total cost of ownership. Although we believe that our products currently compete favorably with respect to such factors, many of our present and potential competitors have been in business longer and have substantially greater financial, marketing, service, support and technical resources than Global Med.

Sales and Marketing

Our medical software products and services are sold through our direct sales force and through our 15 channel partners, most of which are engaged in the sale and marketing of laboratory information systems. Our direct sales force, consisting of four persons in the United States and six in Europe, tend to focus on blood donation centers, plasma centers, transfusion centers and hospitals that are purchasing a new blood management information system, replacing antiquated technology or sunsetted products, or upgrading their current system. We typically rely on our channel partners to reach potential customers who are purchasing a comprehensive laboratory information system, including a blood management information system.

As of December 31, 2009, our channel partners included McKesson, Cerner, Siemens Medical, Sunquest, QuadraMed, GE Medical Systems, Digi-trax Corporation, Omnitech, Orchard Software, BarcodesWest, CaridianBCT, Keane, CPSI, Fresenius Kabi and Biomedical Synergies, Inc., among others. One of our channel partners accounted for 9.1% and 14.5% of our revenue during 2009 and 2008, respectively and 34.0% and 32.1% of our gross accounts receivable as of December 31, 2009 and 2008, respectively. No other channel partner accounted for more than 10% of our revenue.

Customers

Customers for our products include some of the world s most recognized names: Mayo Clinic, Stanford Hospitals, Cedar-Sinai, CHLA, City of Hope, UC San Diego, Memorial Sloan-Kettering, New York Presbyterian, French Blood Establishment, and over 2,100 hospitals and medical sites domestically and internationally. During the years ended December 31, 2009 and 2008, approximately 64% and 77% of our revenue was derived from customers in the United States, respectively, and 36% and 23% of our revenue was derived from customers outside of the United States,

primarily in Europe. Substantially all of our revenue outside of the United States comes from Inlog. No single customer accounted for more than 10% of our revenue in 2009 and 2008.

Table of Contents

Employees

As of March 8, 2010, we had 198 full-time employees, consisting of two employees in the corporate offices in Lakewood, Colorado, 49 employees at our business offices in El Dorado Hills, California, 20 employees at our eDonor offices in Phoenix, Arizona, 72 employees of our Inlog subsidiary that are located primarily in Limonest, France and the remainder are spread throughout the United States. We have employment agreements with our executive officers and certain key personnel. In addition, substantially all of our employees in France are subject to employment agreements. Our employees are not represented by a labor union or subject to collective bargaining agreements. We have never experienced a work stoppage and believe that our employee relations are satisfactory.

Available Information

Global Med s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on the Securities and Exchange Commission s (SEC) website: http:/www.sec.gov. You may also read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, NE., Washington, DC 20549 or you may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Additional information about the Company and our products and services is also available on our website at http://www.globalmedtech.com.

Our shareholders have direct electronic access to all of our SEC filings via a link to the Securities and Exchange Commissions website available on our website at www.globalmedtech.com or via the SEC website at www.sec.gov. We send proxy and information statements directly to our shareholders when matters are brought to the vote of our shareholders.

ITEM 1A. RISK FACTORS

In addition to other information contained in this Annual Report on Form 10-K, we have identified the following risks and uncertainties. If any of the events or circumstances described below were to occur, our business, financial condition or operating results could be materially and adversely affected. We have organized our Risk Factors under captions that we believe describe various categories of potential risk. For your convenience, we have not duplicated risk factors that could be considered to be included in more than one category.

Risks Related to the Haemonetics Offer and the Merger

The delay or failure to consummate the Offer or the Merger with Haemonetics could materially and adversely affect our results of operations and our stock price.

On January 31, 2010, we entered into the Merger Agreement with Haemonetics and Acquisition Sub. On February 19, 2010, Acquisition Sub commenced the Offer. The Offer is conditioned on the tender of a majority of the outstanding shares of Global Med Common Stock and Global Med Preferred Stock and other customary conditions.

Consummation of the Merger is subject to customary conditions, including, but not limited to, consummation of the Offer, and, if required under applicable law, approval of the Merger Agreement by our stockholders. We cannot assure you that these conditions will be met or waived, that the necessary approvals will be obtained, or that the Offer or the Merger will be successfully consummated as currently contemplated under the Merger Agreement or at all. As a result of the pending Offer and Merger:

- the attention of our management and our employees may be diverted from day-to-day operations as they focus on consummating the Merger;

- the Merger Agreement places a variety of restrictions and constraints on the conduct of our business outside of the ordinary course prior to the closing of the Merger or the termination of the Merger Agreement;

Table of Contents

the pending Offer and the Merger may generate uncertainty among our customers; and

our ability to attract new employees and retain our existing employees may be harmed by uncertainties associated with the Merger, and we may be required to incur substantial costs to recruit replacements for lost personnel.

A delay in the consummation of the Offer or the Merger may exacerbate the occurrence of these events. Furthermore, in the event that the Offer or the Merger is not completed:

our stockholders will not receive the consideration that Haemonetics has agreed to pay pursuant to the Merger Agreement, and our stock price may decline;

we have incurred and will incur significant transaction costs, including legal, accounting, financial advisory and other costs relating to the Offer and Merger; and

under some circumstances, we may be required to pay a $2.6 million breakup fee to Haemonetics and reimburse Haemonetics for its expenses incurred in connection with the transactions contemplated by the Merger Agreement up to $500,000 in the aggregate

The occurrence of any of these events individually or in combination could have a material adverse effect on our results of operations and our stock price.

A purported stockholder class action lawsuit has been filed against Global Med, Haemonetics, Acquisition Sub and members of our Board of Directors and certain officers challenging the Merger Agreement and seeking a temporary restraining order to enjoin the Offer.

On February 9, 2010 and February 17, 2010, Global Med, Acquisition Sub, Haemonetics and the Individual Defendants were named as defendants in three purported class action lawsuits. On March 9, 2010, the plaintiffs jointly filed an amended class action complaint against the Defendants and on March 10, 2010 the court entered an order consolidating the three actions. These actions allege, among other things, that the Individuals breached their fiduciary duties to Global Med s stockholders, that the bidding mechanism was inadequate, and that the Individuals failed to take reasonable steps to maximize the value realizable for the shares of common stock. The plaintiffs seek, among other relief: (1) injunctive relief against Acquisition Sub s acquisition of the Company s shares through its cash tender offer; (2) monetary and/or rescissory damages; and (3) costs of the action, including the fees and expenses of attorneys and experts. On March 10, 2010, the plaintiffs filed a motion to seek a temporary restraining order to enjoin the Offer. An unfavorable outcome in this lawsuit, including the granting of the temporary restraining order, could prevent or delay the consummation of the Offer or the Merger. While the Company believes that these actions are without merit and plans to vigorously defend against them, an unfavorable result in this litigation could be costly to Global Med and have a material adverse effect on our results of operations, liquidity and stock price. See the section entitled Legal Proceedings in Part I, Item 3 of this Annual Report on Form 10-K for further discussion of this lawsuit.

Risks Related to Our Business

Our reported revenue and operating results may fluctuate widely due to irregular sales cycles, contract terms and the application of accounting rules.

The sales cycle for our products, which is the period of time between the identification of a potential customer and completion of the sale, is typically lengthy and subject to a number of factors over which we have little control, such as our customers budgeting constraints and approval processes. Our revenue can fluctuate from quarter to quarter based on our customers buying decisions. In addition, our ability to recognize revenue from software sales can be impacted by contract terms and the application of accounting rules for revenue recognition to contracts that include deliverable and non-deliverable software products, services for modification or customization of our software, acceptance criteria and other contingencies.

We are dependent on major channel partners to sell our products into certain markets.

Our medical software products and services are sold through our direct sales force and through our 15 channel partners, most of which are engaged in the sale and marketing of laboratory information systems. Our direct sales force tends to

Table of Contents

focus on blood donation centers, plasma centers, transfusion centers and hospitals that are purchasing a new blood management information system, replacing antiquated technology or sunsetted products, or upgrading their current system. We typically rely on our channel partners to reach potential customers who are purchasing a comprehensive LIS, including a blood management information system. One of our channel partners accounted for 9.1% and 14.5% of our revenue during 2009 and 2008, respectively, and our operating results may be adversely affected if we do not maintain such relationships.

We may not be able to realize our sales backlog as expected which could reduce our revenue and operating results.

As of December 31, 2009 our sales backlog of unrecognized revenue totaled $9.553 million. While this amount represents contracted sales for which revenue has not been recognized, we may ultimately not be able to realize the revenue as expected if our customer delays the project, or cancels the order, or is otherwise unable to move forward or if we are unable to complete the project for any reason.

Our recurring maintenance revenue could be reduced if we fail to meet service requirements.

During the year ended December 31, 2009, annual maintenance fees represented over 55% of our revenue. Our maintenance agreements range in term from single year to multi-year agreements. Maintenance consists of product bug fixes, continued regulatory compliance, and product updates. If we fail to continue to meet our maintenance commitments, a significant portion of our revenues could be at risk which could reduce our revenue and operating results.

Our results are vulnerable to general economic conditions.

Worsening general economic conditions or a prolonged or recurring recession could adversely affect our operating results if our customers decide to delay or cancel plans to purchase, upgrade or support their healthcare management information systems. In an economic slowdown, we may also experience the negative effects of increased competitive pricing pressure, customer turnover, reductions in customer consulting service requirements and a decline in our customers credit worthiness.

Our cash flows from operations may fluctuate widely from quarter to quarter and our revenue and cash receipts may not be sufficient to meet the operating needs of our business.

The operating cash flows of our Inlog subsidiary are highly seasonal as the majority of its annual maintenance and support fees are billed and collected during the first quarter, while the fourth quarter is characterized by annual cash outflows for taxes and mandated employee-related payments. Consequently, Inlog s cash flows tend to be the highest during the first half of the year and the lowest during the second half of the year. Due to Inlog s significance, our consolidated cash flows from operations are expected to follow this pattern. In addition, our consolidated revenue and cash receipts may not be sufficient to meet our operating needs and other obligations. If this were to be the case, we may need to take action to reduce our operating costs or take other measures to increase or maintain our liquidity. There is no assurance that such actions will be sufficient to provide adequate cash flow to expand our business or continue to operate at our current levels. In addition, the Company is incurring significant costs associated with its acquisition by Haemonetics and in the defense of the purported class action lawsuits that were filed after the announcement of the Merger Agreement. As provided for in the Merger Agreement, there are certain conditions under which Haemonetics could cancel the Merger Agreement and the Company would be required to pay a $2.6 million breakup fee to Haemonetics and reimburse Haemonetics for its expenses incurred in connection with the transactions contemplated by the Merger Agreement up to $500,000 in the aggregate. If the Offer and the Merger are not consummated, the foregoing costs and expenses could materially and adversely impact the Company s liquidity and could, under certain circumstances, result in the violation of certain debt covenants and acceleration of the Company s debt obligations, or the Company could be required to raise outside financing to meet its operating and liquidity needs. If adequate funds are not available or are not available on acceptable terms, we may not have sufficient cash to operate our business, may have to forego strategic acquisitions or investments, defer our product development activities, delay introduction of new products, or otherwise restructure our business and operations.

Table of Contents

If we are unable to successfully integrate the operations of Inlog and eDonor, our revenue and results of operations could be adversely affected.

Our operating costs could increase even further if we are unable to successfully combine the acquired operations of Inlog and eDonor or integrate the systems and procedures including research and development, integrated sales, accounting and financial reporting, or to realize the revenue synergies we expect from the combined companies. Our pro forma combined financial results cover a period during which we were not under common control or management and, therefore, are not indicative of our future financial or operating results. Our failure to integrate Inlog and eDonor and obtain all of the expected benefits could impair our future revenue and operating results.

Our business and our software products are subject to substantial competition which may adversely affect our ability to attract and retain customers.

There is substantial competition in all aspects of the medical software industry. Numerous companies are developing technologies and marketing products and services in the healthcare information management area. Many competitors in the blood bank industry have received FDA clearance for their products. Many of these competitors have been in business longer and have substantially greater personnel and financial resources than Global Med which could make their products and services more attractive than ours which may adversely affect our ability to attract and retain customers.

Our revenue may be dependent on our ability to update and enhance our existing products and services and to develop new ones.

The market for applications software is characterized by rapidly changing technology and by changes from mainframe to client/server computer technology, including frequent new product introductions and technological enhancements in the applications software business. During the last ten years, the use of computer technology in the information management industry has expanded significantly to create intense competition. With rapidly expanding technology and our limited resources, we can provide no assurance that we will be able to acquire or maintain any technological advantage. Our success will be in large part dependent on our ability to use developing technology to our maximum advantage and to remain competitive in price and product performance. If we are unable to acquire or maintain a technological advantage, or if we fail to stay current and evolve in the applications software and information management fields, we may be forced to curtail or reduce our planned expenditures which could negatively impact our business operations.

We cannot be certain that our research and development activities will be successful.

While we are committed to enhancing our software products and services and introducing new products, we cannot be certain that our research and development activities will be successful. Furthermore, we may not have sufficient financial resources to identify and develop new technologies and bring new products to market in a timely and cost effective manner, and we cannot ensure that any such products will be commercially successful and profitable if and when they are introduced.

We depend significantly upon our intellectual property rights and the failure to protect our rights could reduce our revenue and/or increase our operating costs.

Our success depends in part on our ability to obtain and enforce intellectual property rights for our technology and software, both in the United States and in other countries. Our proprietary software is protected by the use of copyrights, trademarks, confidentiality agreements and license agreements that restrict the unauthorized distribution of our proprietary data and limit our software products to the customer s internal use only. In addition, we have obtained a patent for our SafeTrace Tx product. While we have attempted to limit unauthorized use of our software products or the dissemination of our proprietary information, we may not be able to retain our proprietary software rights and prohibit the unauthorized use of proprietary information. Any patents, copyrights, or trademarks we have or may obtain may not be sufficiently broad to protect our products, may be subject to challenge, invalidated or circumvented and may not provide competitive advantages. In addition, our competitors may independently develop technologies or products that are substantially equivalent or superior. If our software products infringe upon the rights of others, we may be subject to suit for damages or an injunction to cease the use of such products. Our industry is characterized by frequent intellectual

Table of Contents

property litigation based on allegations of infringement of intellectual property rights. Although we are not aware of any intellectual property claims against us, we may be a party to litigation in the future that could force us to reduce our planned expenditures which could negatively impact our business operations. For example, on April 25, 2008, we received a letter from our patent counsel stating that a third party, Mediware, has filed for a reexamination of our issued patent. We believe our patent is valid and also believe it will prevail in any reexamination.

Our success also depends in part on our ability to develop commercially viable products without infringing the proprietary rights of others. We have not conducted freedom of use patent searches and patents may exist or could be filed which would have an adverse effect on our ability to market our products or maintain our competitive position with respect to our products.

Failure to comply with government regulations and requirements could preclude us from continuing to market our existing products or introducing new products which could adversely affect our revenue and results of operations.

Our SafeTrace, SafeTrace Tx and ElDorado products and services are subject to regulations adopted by governmental authorities, including the FDA, which govern blood center computer software products regulated as medical devices. Compliance with government regulations can be costly and burdensome and may result in our incurring product development delays and substantial costs. In addition, modifications to such regulations could materially adversely affect the timing and cost of new products and services we introduce. We cannot predict the effect of possible future legislation and regulation. We also are required to follow applicable Good Manufacturing Practices regulations of the FDA, which include testing, control and documentation requirements, as well as similar requirements in other countries, including International Standards Organization 9001 standards. Failure to comply with applicable regulatory requirements could result in, among other things, operating and marketing restrictions and fines, and which could reduce our revenue and operating results.

We may be subject to product liability exposure.

We have product liability exposure for defects in our products that may become apparent through widespread use of our products. To date, we have not had any claims filed against us involving our products and we are not aware of any material problems with them. While we will continue to attempt to take appropriate precautions, we may not be able to completely avoid product liability exposure. We maintain product liability insurance on a claims made basis for our products in the aggregate of at least $4 million. Although we have had a history of being able to obtain such coverage at reasonable prices, such coverage may not be available in the future, or at reasonable prices, or in amounts adequate to cover any product liabilities that we may incur. In the event that we do not have adequate insurance to cover any product liabilities that we may incur, we could incur substantial costs. In addition, any actual or perceived defect in our products could adversely affect the market s perception of us and our products, and could have an adverse effect on our reputation and the demand for our products.

We may pursue strategic acquisitions and if we are unable to successfully acquire or integrate these companies, we may not be able to grow our revenue.

As part of our business strategy, we may seek to acquire companies that sell software products that complement our current product mix, particularly companies focused on critical health management. We may use either equity or debt financing or our cash to make acquisitions. There is no assurance that our cash will be adequate and that equity or debt financing will be available on terms favorable to us. In the event we are not able to successfully acquire companies, we may not be able to grow our revenue. In the event we are able to acquire other companies, we may be subject to a number of risks related to the integration and management of such companies, including failure to obtain valid consents to assignment of contracts, failure of the business of the acquired company to achieve expected results, diversion of management s attention, and failure to retain key personnel of the acquired company.

We depend on our key personnel for the success of our business and the loss of one or more key personnel could have an adverse effect on our ability to manage our business.

Our success and our ability to manage our business depend upon the efforts and continued service of our senior management team. The loss of one or more of our key personnel could have a material adverse effect on our business

Table of Contents

and operations as there can be no assurance that we will be able to attract and retain senior management and key employees having competency in those substantive areas deemed important to the successful implementation of our plans. The inability to do so or any difficulties encountered by management in establishing effective working relationships among them may adversely affect our business and prospects. Currently, we do not carry key person life insurance for any of our executive management or key employees.

Risks Related to International Operations

We face a number of risks associated with international operations

On June 26, 2008, we completed the acquisition of Inlog S.A. and its subsidiaries, including one located in Germany. We face a number of risks relating to remotely managing foreign operations including: linguistic and cultural differences; differing regulatory environments impacting our technology and our customer base; differing labor standards; difficulties and costs of staffing and managing international operations; different economic conditions; and potentially adverse tax consequences. Our failure to adequately acknowledge and manage these conditions and risks could adversely impact our revenue and our operating results.

We are subject to foreign exchange risks

We are subject to foreign exchange risks because we report our results from operations in U.S. dollars, while our Inlog subsidiary s revenue and expenses are denominated in Euros and converted to U.S. dollars in consolidation. For the year ended December 31, 2009, Inlog accounted for approximately 35% of our total revenue. A decrease in the value of the Euro against the U.S. dollar could affect our consolidated profitability. We currently do not hold forward exchange contracts to manage the foreign currency exchange risk.

Risks Related to Our Stock

If Penny Stock regulations impose restrictions on the marketability of our common stock, the abilty of our shareholders to sell shares of our stock could be impaired.

The SEC has adopted regulations that generally define a penny stock to be an equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share subject to certain exceptions. Exceptions include equity securities issued by an issuer that has (i) net tangible assets of at least $2,000,000, if such issuer has been in continuous operation for more than three years, or (ii) net tangible assets of at least $5,000,000, if such issuer has been in continuous operation for less than three years, or (iii) average revenue of at least $6,000,000 for the preceding three years. Our common stock is currently trading at under $5.00 per share. Although we currently fall under one of the exceptions, if at a later time we fail to meet one of the exceptions, our common stock will be considered a penny stock. Broker/dealers dealing in penny stocks are required to provide potential investors with a document disclosing the risks of penny stocks. Moreover, broker/dealers are required to determine whether an investment in a penny stock is a suitable investment for a prospective investor. These requirements, among others, may reduce the potential market for our common stock by reducing the number of potential investors. This may make it more difficult for investors in our common stock to resell shares to third parties or to otherwise dispose of them. This could cause our stock price to decline.

Our common stockholders could face substantial potential dilution from our Series A Convertible Preferred Stock and outstanding stock options, warrants, unvested restricted stock and contingently issuable shares

As of March 3, 2010, we had 38.446 million shares of common stock outstanding. In addition, our outstanding Series A Preferred Stock was convertible into approximately 5.500 million shares (without giving effect to limitations on conversion) and outstanding stock options, warrants, contingently issuable shares to the Inlog sellers and unvested restricted stock totaled approximately 15.882 million shares as of that date (without giving effect to limitations on conversion). Accordingly, fully-diluted shares as of March 3, 2010 totaled approximately 59.828 million shares (without giving effect to limitations on conversion). We cannot predict the actual number of shares of common stock that will be

Table of Contents

issued upon the conversion our Series A Preferred Stock or upon the exercise of stock options and warrants however, existing common stockholders could experience significant dilution.

The market price of our common stock is highly volatile which may limit our investors ability to actively trade their shares of our common stock

The market price of our common stock has been and is expected to continue to be highly volatile. Factors, including announcements of technological innovations by us or other companies, regulatory matters, new or existing products or procedures, concerns about our financial position, operating results, litigation, government regulation, developments or disputes relating to agreements, patents or proprietary rights, among other items, may have a significant impact on the market price of our stock.

We do not anticipate paying any dividends on our common stock

We have never declared or paid dividends on our common stock. Our dividend practices are determined by our Board of Directors and may be changed from time to time. We will base any issuance of dividends upon our earnings (if any), financial condition, capital requirements, acquisition strategies, and other factors considered important by our Board of Directors. Colorado law and our Articles of Incorporation do not require our Board of Directors to declare dividends on our common stock. We expect to retain any earnings generated by our operations for the development and expansion of our business and do not anticipate paying any dividends to our common stockholders for the foreseeable future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. DESCRIPTION OF PROPERTIES

Our executive office is located in Lakewood, Colorado where we lease one thousand square feet under an agreement that expires in February 2013. We also lease approximately 19 thousand square feet of office space in El Dorado Hills, California, under a lease that expires in August 2013. Our eDonor division occupies approximately five thousand square feet of office space in Phoenix, Arizona under a lease that expires in April 2010 and our Inlog subsidiary headquarter offices are located in Limonest, France where we occupy approximately nine thousand square feet of office space under an agreement that it cancelable in October 2011. We believe that our existing facilities are generally adequate for our current operations.

ITEM 3. LEGAL PROCEEDINGS

On September 23, 2002, Global Med and PeopleMed.com, Inc. (PeopleMed) filed a complaint against Donnie L. Jackson, Jr. (Jackson) in a lawsuit entitled Global Med Technologies, Inc. v. Donnie L. Jackson, Jr., et al, El Dorado Superior Court Case No. PC 20020576 (the Lawsuit). The Lawsuit has been settled and claims have been released. No amount was paid by Global Med to Jackson or Mediware Information Systems, Inc. (Mediware) and no amount was paid by Jackson or Mediware to Global Med in connection with such settlement. Jackson made a representation as part of the settlement that he does not have possession of any trade secret or proprietary material of plaintiffs as so described in their complaint for damages. During 2005, the Company set up a legal accrual in the amount of $1.004 million and expensed the same amount. As a result of the above, the Company reversed the $1.004 million legal accrual and the related expense during the year ended December 31, 2009.

The Company s Inlog subsidiary is a party to a dispute with a former client, for which it established a legal accrual prior to Global Med s acquisition. Based on information currently available, Global Med believes the legal accrual in the amount of $365 thousand at December 31, 2009 is adequate to cover the Company s liability should there be an adverse outcome in the Inlog matter.

On February 9, 2010, a shareholder of Global Med, Carmelo J. Corica (Plaintiff Corica) filed a purported class action lawsuit (the CJC Action) against the Company, Acquisition Sub, Haemonetics, Michael I. Ruxin, M.D., Thomas F.

Table of Contents

Marcinek, Sarah L. Eames, T. Kendall Hunt and Robert R. Gilmore (Dr. Ruxin, Mr. Marcinek, Ms. Eames, Mr. Hunt and Mr. Gilmore, collectively, the Individuals and together with the Company, Acquisition Sub, and Haemonetics, the Defendants). The CJC Action alleges that the Individuals breached their fiduciary duties to Global Med s stockholders and alleges that the sales process was neither honest nor fair, that the price offered is inadequate, and that the Merger Agreement contains terms that discourage other bidders and constrained Global Med s ability to solicit any other offers. The CJC Action also alleges that Haemonetics and Global Med aided and abetted such alleged breach. Based on these allegations, the CJC Action seeks judgment that, among other relief: (1) provides injunctive relief that preliminarily and permanently enjoins the Offer; (2) rescinds the Offer if it is consummated; (3) directs the Defendants to account to Plaintiff Corica and other members of the class for all damages and any profits and other special benefits obtained by the Defendants as a result of director defendants breaches of their fiduciary duties; and (4) awards Plaintiff Corica the costs of the CJC Action, including the fees and expenses of Plaintiff Corica s attorneys and experts. Global Med believes the CJC Action is without merit and plans to vigorously defend against it.

On February 17, 2010, a shareholder of Global Med, Joseph F. Sham (Plaintiff Sham), filed a purported class action lawsuit in the District Court Jefferson County in Golden, Colorado (the JFS Action), against the Defendants. The JFS Action purports to be brought individually and on behalf of all holders of Shares (other than the Defendants). The JFS Action alleges, among other things, that the Individuals breached their fiduciary duties to Global Med s shareholders, that the bidding mechanism was inadequate, that the Individuals failed to take reasonable steps to maximize the value realizable for the Shares, and that the price offered is unconscionable, unfair, and inadequate and constitutes unfair dealing. The JFS Action also alleges that Acquisition Sub, Haemonetics and Global Med aided and abetted such alleged breach. Based on these allegations, the JFS Action seeks judgment that, among other relief: (1) provides injunctive relief against consummation of the Merger Agreement; (2) awards monetary and/or rescissory damages; and (3) awards Plaintiff Sham the costs of the JFS Action, including the fees and expenses of Plaintiff Sham s attorneys and experts. Global Med believes the JFS Action is without merit and plans to vigorously defend against it.

Also on February 17, 2010, a shareholder of Global Med, Robert O Brien (Plaintiff O Brien), filed a purported class action lawsuit in the District Court Jefferson County in Golden, Colorado (the O Brien Action), against the Defendants and Gerald Willman, Jr. (an officer of Global Med). The O Brien Action purports to be brought individually and on behalf of all holders of Shares (other than the Defendants and Mr. Willman). The O Brien Action alleges, among other things, that the sale of Global Med at the specified price is unfair and inadequate to Global Med shareholders, that the Merger Agreement contains terms that discourage other bidders from making successful competing offers, that certain of the Individuals were motivated to secure personal benefits, including employment agreements and change in control benefits, and that the Individuals breached their fiduciary duties in approving the Merger. The O Brien Action also alleges that Acquisition Sub, Haemonetics and Global Med aided and abetted such alleged breach. Based on these allegations, the O Brien Action seeks judgment that, among other relief: (1) provides injunctive relief against consummating the Merger; (2) directs the Individuals to exercise their fiduciary duties to obtain a transaction providing the best possible terms and consideration for Global Med s shareholders; and (3) awards Plaintiff O Brien the costs of the O Brien Action, including the fees of Plaintiff O Brien s attorneys and experts. Global Med believes the O Brien Action is without merit and plans to vigorously defend against it.

On March 9, 2010, Plaintiff Corica, Plaintiff Sham and Plaintiff O Brien (together, the Consolidated Plaintiffs), having sought consolidation of the CJC Action, the Sham Action and the O Brien Action pending in the District Court of Jefferson County in Golden, Colorado, jointly filed in each of these three lawsuits an amended class action complaint against the Defendants (the Amended Complaint). On March 10, 2010, the court entered an order consolidating the three actions. The consolidated action is captioned *Carmelo J. Corica, Joseph F. Sham and Robert O Brien v. Michael Ruxin et al., Case Nos. 10CV673, 10CV801, 10CV802*. The Amended Complaint aggregates and restates the allegations and causes of action of the CJC Action, the JFS Action and the O Brien Action. Additionally, the Consolidated Plaintiffs claim that the Individuals breached their fiduciary duties to Global Med s shareholders by failing to make allegedly material disclosures to the shareholders in Global Med s Schedule 14D-9 concerning additional details underlying the fairness opinion of St. Charles Capital, LLC delivered to Global Med and certain background information. Further, the Amended Complaint alleges that the Individuals approved the proposed transaction in order to provide liquidity to Global Med s largest stockholder. Based on these allegations, the Amended

Complaint seeks judgment that, among other relief: (1) provides injunctive relief that preliminarily and permanently enjoins the Offer; (2) rescinds the Offer if it is consummated; (3) directs the Defendants to account to the Plaintiff and other members of the class for all damages and any profits and other special benefits allegedly obtained by the Defendants as a result of the Individuals alleged

Table of Contents

breaches of their fiduciary duties; and (4) awards the Consolidated Plaintiffs the costs of the action, including fees and expenses of the Consolidated Plaintiffs attorneys and experts. We believe that the Amended Complaint is without merit and plan to vigorously defend against it.

On March 10, 2010, the Consolidated Plaintiffs filed a motion seeking a temporary restraining order to enjoin the Offer. The Consolidated Plaintiffs claim that (1) without a temporary restraining order there is a likelihood of irreparable harm to the Consolidated Plaintiffs and no adequate remedy at law, (2) the Consolidated Plaintffs have a substantial likelihood of success on the merits, (3) the threatened injury to the Consolidated Plaintiffs and other shareholders outweighs any possible harm to Defendants, and (4) the granting of the injunction will not disserve the public interest. We believe that the motion for a temporary restraining order is without merit and plan to vigorously defend against it.

The Company is incurring substantial costs in connection with the actions commenced by the Consolidated Plaintiffs. The Company s articles of incorporation, as amended and restated, and its bylaws, as well as separate indemnification agreements entered into between the Company and the Individuals, provide for the the indemnification of the Individuals by the Company under certain circumstances. The costs being incurred by the Company include defense expenses and costs that the Company is required to advance on behalf of the Individuals pursuant to these obligations.

ITEM 4. (Removed and Reserved)

PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock trades on the OTC Bulletin Board. OTC Bulletin Board Market quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not necessarily represent actual transactions.

The following table sets forth the quarterly high and low bid prices for our common stock for the two years ended December 31, 2009 and 2008, as reported by www.otcbb.com.

COMMON STOCK

	2009	
	HIGH	**LOW**
First Quarter (January 2009 to March 2009)	$0.91	$0.31
Second Quarter (April 2009 to June 2009)	$0.80	$0.41
Third Quarter (July 2009 to September 2009)	$1.10	$0.57
Fourth Quarter (October 2009 to December 2009)	$0.92	$0.60

	2008	
	HIGH	**LOW**
First Quarter (January 2008 to March 2008)	$1.31	$0.75
Second Quarter (April 2008 to June 2008)	$1.58	$1.03
Third Quarter (July 2008 to September 2008)	$1.49	$0.96
Fourth Quarter (October 2008 to December 2008)	$1.25	$0.55

As of March 3, 2010, we had approximately 144 holders of record of our common stock.

Table of Contents

Dividends

Common Stock

Since inception, we have not paid any dividends on our common stock and do not anticipate paying such dividends in the foreseeable future. We intend to retain earnings, if any, to finance our operations or make acquisitions. In accordance with the terms of our Series A Convertible Preferred Stock (Series A), we cannot issue dividends on the common stock while the Series A is outstanding unless an equal dividend is declared on the Series A. The dividend on the Series A would be calculated by determining the number of shares of common stock the Series A is convertible into and then applying the same dividend to the Series A that was provided to the common shareholders. The payment of dividends in the future would also be subject to the written approval of our lenders.

Preferred Stock

As of March 3, 2010, 3,960 shares of Series A were outstanding. No dividends have been paid on the Series A. We currently do not intend to pay any dividends on the Series A.

Equity Compensation Plan Information

The following table details equity securities authorized for issuance as of December 31, 2009.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plans approved by stockholders			
2001 Stock Option Plan	6,071,937	$ 0.89	4,011,242
Equity compensation plans not approved by stockholders			
2003 Stock Option Plan	50,000	$ 1.50	2,856,414
Other Stock Options	300,000	$ 1.16	
Warrants	10,072,292	$ 0.73	
Total	16,494,229	$ 0.78	6,867,656

Table of Contents

The number of shares of common stock available for issuance or already issued under the terms of the existing stock option grants or under the 2001 Stock Option Plan and 2003 Stock Option Plan are subject to adjustment under certain conditions that include the declaration of stock dividends, or stock splits, etc.

The Company s 2001 Stock Option Plan (2001 Plan) provides for the issuance of options to purchase up to 10 million registered shares of Common Stock to employees, officers, directors and consultants of the Company. Options may be granted as incentive stock options or as nonqualified stock options. Only employees of the Company are eligible to receive incentive options. The 2001 Plan expires on December 28, 2010. As of December 31, 2009, options to purchase 6,072,000 shares of Common Stock at a weighted average exercise price of $0.89 per share were outstanding under the 2001 Plan, of which 5,508,000 options were exercisable at December 31, 2009. Options granted under the 2001 Plan vest on a straight-line basis, based on schedules determined by the Board and generally expire 10 years after grant. During fiscal year 2009, the Company issued 140,000 stock options, 60,000 were exercised, and 225,000 options were cancelled or expired under the 2001 Plan.

The Company s 2003 Stock Option Plan (2003 Plan) provides for the issuance of stock options exercisable to purchase up to 5,000,000 registered shares of Common Stock to employees, officers, directors and consultants. As of December 31, 2009, there were options to purchase 50,000 shares under the 2003 Plan that were issued to such persons. The weighted average exercise price for these options is $1.50 per share. All of these options were exercisable as of December 31, 2009. During fiscal year 2009, approximately 613,000 options were exercised and approximately 1,247,000 options under this plan were cancelled or expired.

During the year ended December 31, 2009, approximately 95,000 options were exercised under the Company s Second Amended and Restated 1997 Stock Option Plan (1997 Plan). There were no options outstanding under the 1997 Plan as of December 31, 2009. Stock options can no longer be issued under the 1997 Plan.

The Company also periodically grants options to purchase shares of restricted Common Stock. The shares underlying these options are not registered under the Securities Act and do not fall under a particular plan. There were no issuances or exercises of these options to purchase Common Stock in fiscal year 2009. As of December 31, 2009, there were options to purchase 300,000 shares of Common Stock at a weighted average exercise price of $1.16 per share outstanding. All 300,000 of these options were exercisable at December 31, 2009.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide information under this item.

ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements and related notes included in Part II, Item 8 of this Annual Report on Form 10-K. This discussion contains forward-looking statements, the accuracy of which involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described in Part I, Item 1A RISK FACTORS .

GENERAL

Global Med is an international medical software company which develops regulated and non-regulated products and services for the healthcare industry. We are a leading provider of blood and laboratory systems and services and our products are deployed in 20 countries and serve over 2,100 transfusion centers, blood banks and laboratories.

On January 31, 2010, Global Med, entered into an Agreement and Plan of Merger (the Merger Agreement) with Haemonetics Corporation, a Massachusetts corporation (Haemonetics), and Atlas Acquisition Corp., a Colorado corporation and a wholly-owned subsidiary of Haemonetics (the Acquisition Sub). Under the terms of the Merger Agreement, Acquisition Sub commenced a tender offer for shares of Global Med s common stock, par value $0.01 per share (the Global Med Common Stock), at a price of $1.22 per share, net to the holders of Global Med s Common

Table of Contents

Stock in cash, and for shares of Global Med s Series A Convertible Preferred Stock, par value $0.01 per share (Global Med Preferred Stock), at a price of $1.22 per share on a converted to common stock basis, net to the holders of Global Med Preferred Stock in cash (the Offer). The Offer commenced on February 19, 2010 and will expire at 12:00 midnight, Boston Massachusetts time, on March 18, 2010, subject to certain extension rights and obligations set forth in the Merger Agreement. The Offer is conditioned on the tender of a majority of the outstanding shares of Global Med Common Stock and Global Med Preferred Stock and other customary conditions. Based on Global Med s approximately 50 million diluted common equivalent shares outstanding, the estimated net value of the transaction is approximately $61 million.

Following the consummation of the Offer and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, the Acquisition Sub will merge into Global Med (the Merger) and Global Med shall continue as the surviving corporation. The closing of the Merger is subject to approval by holders of a majority of the then outstanding shares of Global Med Common Stock and Global Med Preferred Stock. The parties, however, have agreed that in the event that Acquisition Sub acquires at least 90% of the outstanding shares of each of Global Med Common Stock and Global Med Preferred Stock then outstanding on a fully diluted basis, pursuant to the Offer or otherwise, the parties shall take all necessary and appropriate action to cause the Merger to become effective as soon as practicable without a meeting of shareholders of Global Med or the solicitation of written consents of such shareholders, in accordance with applicable laws.

Following the announcement of the Merger Agreement, several lawsuits were filed against the Company, Acquisition Sub, Haemonetics, Michael I. Ruxin, M.D., Thomas F. Marcinek, Sarah L. Eames, T. Kendall Hunt and Robert R. Gilmore. (Dr. Ruxin, Mr. Marcinek, Ms. Eames, Mr. Hunt and Mr. Gilmore, collectively, the Individuals and together with the Company, Acqusition Sub, and Haemonetics, the Defendants). These actions allege, among other things, that the Individuals breached their fiduciary duties to Global Med s stockholders, that the bidding mechanism was inadequate, and that the Individuals failed to take reasonable steps to maximize the value realizable for the shares of common stock. These actions were consolidated on March 10, 2010 into a single lawsuit. The plaintiffs seek, among other relief: (1) injunctive relief against Acquisition Sub s acquisition of the Company s shares through its cash tender offer; (2) monetary and/or rescissory damages; and (3) costs of the action, including the fees and expenses of attorneys and experts. On March 11, 2010, the plaintiffs filed a motion to seek a temporary restraining order to enjoin the Offer. The Company believes that these actions are without merit and plans to vigorously defend against them. See the section entitled Legal Proceedings in Part I, Item 3 of this Annual Report on Form 10-K for further discussion.

Business Strategy

Global Med s goal is to become a global supplier of critical health management information software. We plan to achieve this goal through a combination of organic growth and strategic acquisitions.

Our organic growth strategy for marketing and selling our products and services is two pronged:

1. Direct selling to customers through our internal sales force; and
2. Marketing and selling through Channel Partners that are established in blood donor hospital markets.

In addition to increasing revenues and cash flows through our direct sales efforts and channel partner relationships, we are focused on adding new channel partners and strategic alliances and developing new products and adding enhanced functionality to our existing product mix to attract and maintain customers.

Global Med s acquisition strategy is to purchase companies that sell software products that complement our current product mix, particularly companies focused on critical health management. We may use either equity or debt financing or our cash to make acquisitions.

Table of Contents

Overview

Global Med designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion centers and other health care related facilities.

We sell various core products and their related components through our Wyndgate division: SafeTrace, SafeTrace Tx, and our ElDorado product suite. SafeTrace is used by blood centers and hospitals to track blood donations. SafeTrace Tx is used primarily by hospitals and centralized transfusion services to help insure the quality of blood transfused into patient-recipients. Both products are designed to help the users comply with quality and safety standards of the FDA for the collection and management of blood and blood products. ElDorado Donor is intended as a comprehensive blood management software application designed to provide for the information system needs of blood banks and donor centers. Donor Doc is an electronic history questionnaire that assists in the blood donor screening process.

We acquired our Inlog S.A. subsidiary on June 26, 2008 for $10.9 million in a combination of cash and stock. We are also contingently obligated to pay up to $1.481 million in earn out consideration over the next five years. Inlog has been developing, implementing, and supporting its blood bank information management solutions since 1992 and currently supplies over 800 sites in 15 countries with its products. Its product line consists of five primary products: EdgeBlood (for the donor center market), EdgeTrace (for the hospital transfusion market), EdgeLab (a laboratory information system LIS), EdgeCell (cellular therapy for tissue banks, stem cell centers and cord blood centers) and SAPA (a regulatory compliance and document management solution). Inlog performed the national installation of its EdgeBlood product in France where all of that country s 2.5 million annual blood donations are transacted through EdgeBlood including blood collections, infectious disease testing, component manufacturing and distribution. In addition to France, Inlog has software applications in Germany, Austria, Belgiu