ASSURE HEALTH

CORPORATE UPDATE - APRIL 2021

- Equifund sat down with the **CEO & COO of Assure Health** to get an update on the company's progress and what 2021 has in store.

  Watch a recording of the call here: **https://equifund.com/corporate-update-assure-health/**

FOUNDERS BIO:

Jeff Nadel
CEO + Co-Founder

Craig Bolz
COO + Co-Founder

Jeff and Craig are serial entrepreneurs who have founded multiple technology companies, including Klink, Sparkpoint Media, and Beverage Advisory Group. Klink was the first app and website to legally offer on-demand beer, wine, and spirits delivery; had partnerships with Total Wine & More, AB InBev, Nestle, and Constellation Brands; and was acquired by delivery.com in 2017.

They have significant experience scaling businesses and creating partnerships with Fortune 500 companies. Importantly, almost all of their business experience has involved operating compliantly, and innovating, in highly-regulated industries. Jeffrey received his B.A. from the University of Pennsylvania, and Craig earned a B.A. from the University of Central Florida.

THE INTERVIEW:

EQUIFUND: WHAT IS THE ASSURE HEALTH "ORIGIN STORY?"

JEFF: Craig and I have known each other since pre school. We didn't become friends though until high school.

But now, we're serial entrepreneurs and have started multiple companies together.

CRAIG: We started our first company – Klink – in 2012/2013; it was the first company to legally do delivery of beer wine and spirits. At the time, there was no clear legal playbook to do what we wanted to do. We crafted the regulatory and compliance strategy to open the door for the space. We worked closely with major alcohol brands to create technology infrastructure.

Then, in 2016, Klink was acquired by delivery.com.

JEFF: After that, we took a step back and did some projects with other players in that ecosystem. But what we figured out was that we really thrive innovating in highly regulated environments.

It's a very particular skill set that some people are good at but most people aren't.

Healthcare has always been an area of interest for us. Depending on the doctor you talk to, we're either annoying customers or great customers because we ask lots of questions.

We believe healthcare is delivered in a fragmented and episodic nature. We believe there has to be a way to push towards everyday healthcare. Rarely do the bad things happen at the doctors office. It's the gaps in between.

CRAIG: As we looked at the healthcare space, we were looking for the ideal entry point, and that led us to where we are today. We learned about remote patient monitoring and what was possible, and bought into it at a fundamental level.

If we can get daily vitals, we believed there was potential to keep people out of the hospital, before they got out of hand, and improve health outcomes.

In the space, everyone was taking a business-to-business (B2B) approach. There was no direct-to-consumer (DTC). We saw two major gaps.

1) **An access problem** – Let's say you hear about this new technology and want to sign up. Historically, there was no way for you to do that unless you were in the tiny minority of people who had a primary care provider who had an established program. This is why we decided to go DTC.

2) **Lack of clinical infrastructure to monitor this process** – There were call centers and non-dedicated resources. In order to do this, we would need

to build a complete infrastructure to do this kind of monitoring with clinical integrity.

How do you get the data from patients? That's been solved by a lot of device manufacturers. But the second problem is what do you do with that data once you have it to improve patient outcomes?

Our goal is to expand access dramatically, do it with the highest clinical standards, and deliver service in a concierge level experience.

It was very important for us to get credentialed with Medicare so folks could get access to this. There's a large cohort who can get access to what we offer at little to no out of pocket cost.

JEFF: We really set out to build the type of healthcare we want our parents and grandparents to have. We saw these gaps that didn't make any sense to us. Because of our tech background, these were all solvable problems.

In hindsight, although it's been difficult, coming from outside the medical and healthcare environment lets us think differently about solving problems.

CRAIG: One of the reasons we're so passionate about this is because we know we're helping people. The innovations we were building in alcohol, it was at best "neutral" in helping people. But with this, we can create so much more value.

JEFF: There's plenty of companies in the space, but the model they all take is NOT providing direct access to consumers. They have hardware and software they sell (or licence) to physicians offices, hospitals, private employers and that sort of thing.

But the way we looked at it, it doesn't solve the problem. And with the looming chronic disease crisis in America, we felt like we needed something better.

This underutilization was related to the access problem. We couldn't find a single person we knew who was taking advantage of this program because most physicians didn't offer it to their patients.

CRAIG: When we had the initial idea for Assure Health, the first thing we did was schedule ~20 calls with primary care providers (PCPs) and figure out why they're not utilizing an RPM program.

But, they all indicated they wanted to be the beneficiaries of this technology for their patients.

Our initial estimates were that 1% of PCPs were administering an RPM program. More recently, it's actually 1/10%.

EQUIFUND: ARE YOU THREATENING MEDICAL CLINICS?

JEFF: No, we are not. The PCP is so important to the patient experience. So, interfering with that person's ability to help their patient was a non starter.

Our goal is to give the PCPs super powers.

For example, blood pressure. Your PCP might take blood pressure levels 2-4 times per year… and we expect them to make health recommendations based on one tiny snapshot of data… which isn't all that good.

"White Coat Syndrome" is a well known phenomenon that your blood pressure is artificially elevated. With Assure Health's technology, PCPs have a much richer data set, over time, that helps them understand the patient's vitals and what to recommend.

CRAIG: Our goal is never to replace the PCP. Our best evidence is we have current primary care physicians – who found out about us because one of their patients used us – recommending us to their other patients.

EQUIFUND: WHY DID YOU DECIDE TO USE CROWDFUNDING INSTEAD OF GOING THE VC ROUTE?

JEFF: For all of our previous companies, we've gone the traditional fundraising route of family offices, private equity, and venture capital.

We came into this having our north star to deliver the very best care to patients; For us, it was important to have the ability to serve and navigate to that north star without outside influence – which, when you take institutional money, what's in the long-term best interest of the patient might not be in the short-term financial interest of the investor.

Beyond that, it made a whole lot of sense for us to build a community of people who use our products and are also potential shareholders. Ultimately, we hoped to see crossover between people who invested and people who can help us connect to partners and patients.

EQUIFUND: WHAT HAS BEEN MOST SURPRISING TO YOU ABOUT RAISING CAPITAL FROM THE CROWD?

JEFF: Sometimes when people hear about crowdfunding, they are thinking in the hundreds or thousands of investors, and you may lack the relationships with your investors.

That hasn't been the case at all for us. We've been surprised by the great conversations we've had with our shareholders.

Within a couple days of launching, we had multiple people who invested who became patients. We also had multiple doctors who reached out to work with us.

And strangely enough, we've had vendors who we pay for services who – after searching for us online and finding our offering on Equifund – then become investors in our company.

Talk about an unexpected flywheel with that one!

EQUIFUND: WHAT PROGRESS HAS BEEN MADE SINCE THE LAST ROUND OF FUNDING?

[Editor's Note: this section has been left in bullet point format for brevity. Please watch the offering update if you'd like all of the color commentary and discussion around each of The 7 Power Laws]

Power Law #1: Purpose (Strength of Vision)

- It's a good sign that our vision and mission haven't changed in the past 60 days! If anything, we've become more convicted in our vision for putting a doctor in every home for little to no out of pocket cost.

Power Law #2: People (Strength of Team)

- We've had four people join our team since the start of the crowdfunding campaign.

  Eric Chiyembekeza – VP of clinical operations and strategy

  Tiffany Wright – Nurse Practitioner, licensed in multiple states, graduated from Vanderbilt, has deep experience in telehealth, geriatric care, and delivering telehealth care to sr.

Brian Nichol – Head of finance and strategy. He's been CFO and head of finance for multiple large companies. Ex-KPMG.

Anna D'Apuzzo – Patient care coordinator (a clinical support role). She is overqualified because she will need to grow into the role. She's run multiple pharmacies and has been in the same role in other medical practices.

- We're also in the process of adding additional staff to the clinical/physician side of the house. We're currently in the final stages of contract negotiations with a few key people, and will send out an update as soon as paperwork is final and legal clears it.

Power Law #3: Partners (Strength of Network)

- We have a signed contract with a national player in the healthcare space
  - We've been working on this deal since October and dramatically increases our ability to scale.
  - They have over 1 million patient touch points per week, nationwide.
  - This deal will also serve as a springboard into other key relationships with other major household names.
  - Unfortunately, we cannot reveal the name of this partnership until we've reached a certain stage of the rollout. As soon as we're able to, we'll send out a press release to share the news.
- We also have a partnership with a major American university and academic health system.
  - One of our goals was to get a clinical trial conducted using our technology and proprietary RPM protocols developed by our Chief Medical Officer.
  - Not only will this continue to elevate our brand by being associated with a major American university, it will also result in high quality research on our unique methodology and its impact on patient outcomes.
- Channel partnerships with assisted living facilities and home health providers
  - We are close to a deal with what will be the largest partnership to date.

- Similar deals in the past have taken us 1-2 years. In our experience, these types of deals have been moving much faster.
- Regional players tend to be more agile and can act quicker due to their family owned management team.

- These partnerships are hugely validating of what we're doing.
  - We're not paying for these partnerships, they see value in what we do and want to deliver our services to their patients.
  - The B2B sales cycle has been extremely fast. Other deals we've done with Fortune 500 companies in previous startups took 1-2 years to get across the finish line. We're doing similar sized deals in 3-6 months.

Power Law #4: Intellectual Properties (Strength of Moat)

JEFF: One of the things that surprised us coming from tech was the lack of unified systems of operation. What you think should exist oftentimes doesn't exist in healthcare. We've made significant strides in developing a first of it's kind platform for our own clinicians and staff.

- It does everything from onboarding, scheduling, clinical decision support, alerts… it's a full suite of tech tools.
- From the start of our offering until now, it's basically all new. When this is done, it's going to be the first to market solution for providing services.

CRAIG: The main goal here is to develop a backend where all things can be done in one place. It's unprecedented in healthcare. Even large hospitals and institutions require their staff to have accounts in four different areas.

- We're streamlining everything into one portal with one login. This allows us to onboard new team members and train them at a much faster rate.
- We're also building out our chatbot.
  - Instead of having to talk to a rep to sign up, it can all be done via chatbot (which will be launched shortly)
  - This conversational method not only improves sign up rate, but also helps with ongoing customer service.
  - We haven't added any new clinical procedures in the past 60 days, but we have several on our roadmap for the next 12 months.

Power Law #5: Brand Promises (Strength of Products)

- Here is our current "product" lineup (no new additions): Blood pressure monitor, Glucometer, and a Scale.
- We are currently approved to operate in the following states: Florida, Alabama, Delaware, Georgia, Louisiana, Maine, Mississippi, Missouri, Nebraska, Ohio, Rhode Island, Utah, Virginia, and Washington, D.C.
- We expect to be 50-state approved within the next 3-6 months. Unfortunately, this is one of those things that costs money to move across the finish line. Mostly lawyer fees and filing fees. Otherwise, there's no regulatory hurdle we have to clear.

Power Law #6: Promotions (Strength of Sales and Marketing Strategy)

JEFF: Over the last couple months, we've continued to serve our existing patient base.

- We haven't focused on running new advertisements over the past few months. We've been completely consumed with getting the partnership deals across the finish line.
- Also, we've been building the operational capacity to support the deluge of new patients we expect to be coming in.

CRAIG: We're currently prepared to launch our digital campaign. The foundation is in place and we're ready to turn it on.

- We've tried to be responsible about being smart and not overwhelming us with where our capacity is at.

Power Law #7: Profits (Strength of Business Model)

- When it comes to current revenue and patient basis
  - Yes. We generate revenue from Medicare reimbursement.
  - There isn't a financial burden to the patient. Many will pay little to no out of pocket cost.
  - It's a heck of a lot easier dealing with 2-3 insurance payers knowing that those reimbursements will come in on a recurring basis.

- Patients CAN cash pay, but the thing that gets us excited is the 10's of millions of people who qualify.

- When it comes to valuing our company...
  - By our best guess based on the public market comps we've had access to, we believe that 20,000 patients gets the company close to a $1b valuation.
  - This means every 100 patients we acquire adds potentially up to $5m in market cap, at public multiples.
- When it comes to exits (going public or being acquired)...

CRAIG: We're not dogmatic about going public or being acquired. We're gonna focus on whatever is the best option for our patients, our employees, our partners, and our shareholders.

JEFF: The best way to get a good deal on acquisition is to build a company that doesn't need to exit. That's how you negotiate a really great deal and potentially get someone to overpay for the company.

- The best thing you can do to help us reach an exit is help us get more patients signed up!
- You can send them here: https://www.myassurehealth.com/sign-up

EQUIFUND: HOW CAN WE HELP YOU REACH THE EXIT FASTER?

JEFF: You can help us grow! If you know anyone that might qualify, send them to our website at https://www.myassurehealth.com.

Generally, anyone who is age 65 will automatically qualify for Medicare. There are also people under 65 who qualify, usually through disability. And, disabled veterans will qualify for Medicare. We can help any of these people.

Price transparency is very important to us. One of our commitments is running patient's eligibility up front, before your first appointment. So when we have our first call with a new patient, we'll know how much it will cost them out of pocket so they can make the right decision.

INVESTOR Q & A SECTION

WHAT CHALLENGES HAVE YOU HAD TO OVERCOME ALONG THE WAY?

JEFF: When you're getting prepared and dealing with a large amount of volume quickly, there's all sorts of things you have to do to deal with it.

You have to build the infrastructure and the team. You have to work with all the fulfillment partners to make sure they're ready to scale. You have to have a handle of cash flow and financing to buy all the devices and ship them.

Thinking through the nth level implication is one of the most challenging problems.

CRAIG: Having come from alcohol and tech space, we didn't have a strong network in the healthcare space.

Even though we've had previous success, can we prove that out in healthcare? That's been our initial challenge.

Through a lot of research and creating a compelling vision, we were able to bring all of the right people to the table.

WHAT DOES THE PRODUCT LOOK LIKE NOW?

JEFF: When the patient signs up, they have an onboarding call. Then, the doctor will determine - in their medical judgement - if our services are a good fit for the patient. Then they'll get a followup call within a few days.

Then, the box of stuff arrives.

The magic is under the hood. Every device has a SIM card which is built in celular. I don't have to connect to wifi or bluetooth. Everytime I take my numbers, they're transferred to our clinical team.

All of the folks on our clinical team are nurse practitioners. We're not using lower level folks, these are full blown clinicians who can exercise their full judgement.

You get assigned to a nurse practitioner, that is your person. They're looking at your numbers every day. You have a monthly call with them, but are available by text and call whenever you need.

CAN I AS A PATIENT BE ABLE TO VIEW MY READINGS OVER TIME. IS THERE A SITE/PORTAL THAT CAN DISPLAY MY READINGS OVER TIME?

JEFF: We are rolling out a mobile app and web application to handle this request. But we wanted the data visualization piece to be helpful, and not just a table of data.

CRAIG: We currently have a dedicated interface we use to share data with patients PCP, specialists, or family members... but we're still working on the consumer facing app to make the data useful.

WHAT IF I'M A FAMILY MEMBER. CAN I SEE THE PATIENT DATA?

JEFF: During the onboarding, we ask the patient who else needs to see the data and we get them access to it. The key element of our model is clinical judgement. Only when it needs to will it come to the attention of the caregiver.

CRAIG: We also have monthly reports being generated for all patients. We use these internally right now to help our teams manage workflows and understand patient outcomes.

HOW MANY NURSES WILL YOU NEED TO KEEP YOUR FORECASTED CUSTOMER BASE HAPPY?

JEFF: I wish there was a super easy answer to this, but there's a lot of variables and optimizations that can still be done.

CRAIG: The conservative answer is ~200 patients per nurse practitioner (NP). With this assumption, it's 100 NPs for 20,000 patients.

WHAT TYPE OF PHYSIOLOGICAL DATA DO YOU COLLECT? DOES THIS INCLUDE DATA FROM BLOOD WORKS? SUCH AS HBA1C FOR DIABETES OR CBCS ETC?

JEFF: Our current suite of devices can track and monitor blood pressure, blood glucose, heart rate, and weight. However, we're looking to expand to blood oxygen saturation, heart rate variability, ECG detection.

CRAIG: Based on the way we have our system set up, none of this data is looked at in a vacuum. But the next order of power comes in with the interplay between data. For Example: Blood pressure is elevated, but what about the other vitals?

With more data over time, it gives the PCP the ability to make more educated recommendations based on multiple factors instead of one reading.

WILL YOU TARGET INSTITUTIONAL HEALTHCARE PROVIDERS OR WILL YOU CONNECT WITH PRIVATE HEALTHCARE PROVIDERS, OR BOTH?

JEFF: Our model is fundamentally the direct to consumer model. We don't have to go through the traditional PCP and health systems. That's a huge part of our differentiated advantage.

With that said, as these partnerships with institutional players come up, they can be very valuable if we're doing deals on our own terms.

SO THE PRIMARY MEDICAL CONTACT FOR ANY OF YOUR PATIENTS IS AN EMPLOYEE OF ASSURE HEALTH? OR FULL-TIME CONTRACTORS OF ASSURE? WOULD THIS CHANGE WITH PROSPECTIVE PARTNERSHIPS, OR WOULD ASSURE CONTINUE TO PROVIDE THE PRIMARY CONTACTS & JUST SCALE UP TO FIT THE ADDED BUSINESS? AND THESE FOLKS ARE DOCTORS, PHYSICIAN'S ASSISTANTS, NURSE-PRACTITIONERS, OR WHAT?

JEFF: Yes, they are employees of Assure Health. This is fundamentally what we do. The day-to-day touchpoint is a nurse practitioner. If you know healthcare, this is way higher level than what people contemplated.

Nurse practitioners (NP) are full-time W2 employees. Doctors, some are full time, but we also have a clinical network we've built which would be a contract model.

CRAIG: Also, something to keep in mind. These are independent clinicians. We as business people are never exercising clinical judgment. The primary care providers do that.

IS LIVONGO HEALTH A COMPETITOR? IF SO, HOW WOULD YOU DIFFERENTIATE FROM THEM?

CRAIG: We don't consider them a competitor for our patient population. They are more enterprise, B2B. Our core patient population are people who are enrolled in Medicare whereas Lovongo has no patients.

Businesses offer Lovongo to their employees as a benefit. If in the future we were to expand into enterprise deals, which we are having conversations, they would be.

JEFF: They use healthcare "coaches" that provide tips and tricks. We have licensed physicians.

WHAT IS YOUR ABILITY TO SCALE AT SHORT NOTICE? IF YOU SUDDENLY GET MILLIONS OF PATIENTS THROUGH YOUR PARTNERS, DO YOU SEE A CHALLENGE IN SCALING UP?

JEFF: Our ability to scale at short notice is exactly what we've been focused on since December.

It's not like we don't have any control with our partners. We're involved in the discussions regarding speed and scale of the rollout.

Now that we've built out our infrastructure, we can handle a higher volume of patient onboarding and have sufficient capacity.

CRAIG: From the staffing perspective, it's on the NP side. All of our NPs have said this is by far the most meaningful clinical work they've ever done. We currently have a waitlist of NPs that want to join us.

In a typical medical practice, it's much more transactional; they see a patient once and there may never be follow up. Same with surgery. But working with us, they get a "book of business" they manage and work with over an extended period of time.

Because we aren't making the medical devices ourselves, there isn't a large lead time to order more. Our ops team has gone through serious modeling to figure this out.

ARE YOU CONSIDERING PARTNERING WITH LOCAL MUNICIPALITIES (HEALTH &/OR HUMAN SERVICES DEPARTMENTS) TO OFFER THE SERVICE TO COMMUNITY MEMBERS THAT MAY NOT HAVE THE RESOURCES TO CONTACT YOU DIRECTLY?

JEFF: Super interesting. Not something we've done to date. We've looked at some government

departments and developing channels, but that is a great idea.

CORVENTIS INC WAS ALSO A COMPANY WHICH DID EXACTLY WHAT ASSURE HEALTH DOING... IT WAS ACQUIRED BY METRONICS AND GOT SCRAPPED LATER ... HOW DO WE AVOID THE PITFALL THAT CORVENTIS HAD?

CRAIG: This looks like more short term heart monitoring vs long term, preventative care.

JEFF: There are tons of companies involved in remote monitoring.

Going back to how we started, we are not competitive with any of those companies. They aren't going directly to consumers and they're not medical providers.

Our infrastructure can bolt on to any other device or technology that comes out.

HI, VICKY FROM SUN CITY, AZ. I'M 66 BUT HAVE NO REAL MEDICAL ISSUES OTHER THAN THYROID.. YOU DON'T DEAL WITH THAT SO WOULD I REALLY NEED YOUR COMPANIES SERVICE? IF SO, WOULD MY MEDICARE $$ GO TO ASSURE INSTEAD OF THE MEDICAL ADVANTAGE PROGRAM I'M CURRENTLY WITH?

JEFF: We actually do have some protocols for thyroid. But when considering these conditions, it's possible there could be a fit.

We aren't credentialed with any Medicare Advantage plans; These are administered by private companies. It's not original Medicare.

If you are on Medicare Part A or Part B – fee for service medicare with the red and white card – that is what we're dealing with.

For more information on how to invest in Assure Health, please visit: https://www.equifund.com/assurehealth

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