

Investor Meeting June 18, 2020

# whealthcare PLANNING



Enhancing client wellness and longevity. Get engaged.

2019  
InvestmentNews  
**ICONS**&  
INNOVATORS

Wealth  
Management.com  
2019 Industry Awards  
Winner

# Agenda

- Where we have been
- Transitions over the last nine months
- Where we are now
- Financial forecast
- Financing

# Where we have been – over 5 years

- Since 2014 have raised \$1.55m at valuations that grew from \$4m to \$8m over the 6-year period

| Category       | Spend (\$k)  |
|----------------|--------------|
| MGH Study      | \$ 115       |
| Software Dev   | \$ 410       |
| Salary         | \$ 610       |
| Healthcare     | \$ 156       |
| Sales & Mkting | \$ 175       |
| Other          | <u>\$ 85</u> |
| Total          | \$1,550      |

- Really appreciate your early support and patience as the market has developed receptivity

## Where we have been – recent GAAP financial results

|         | 2019     | 2018     | Y/Y growth |
|---------|----------|----------|------------|
| Revenue | \$88k    | \$45k    | 97%        |
| Expense | \$301k   | \$607k   | (50%)      |
| EBITDA  | (\$213k) | (\$562k) | 62%        |

|         | Q1 2020 | Q1 2019 | Y/Y growth |
|---------|---------|---------|------------|
| Revenue | \$28k   | \$21k   | 33%        |
| Expense | \$79k   | \$112K  | (30%)      |
| EBITDA  | (\$52k) | (\$91k) | 43%        |

# Transitions over the last nine months

- Move to enterprise sales became clear in the fall
- Required a new version of the application
- Arranged for Carolyn (retail sales oriented) to exit, now have 100% ownership of Whealthcare Planning, no equity payment
- Changed Cogniscent name to Whealthcare Solutions, Inc. for branding
- Brought financial, legal and capital structures up to date
  - Including a 2-1, instead of earlier 5-1 planned split

# Transitions over the last nine months

- Most importantly, built new team
  - Steve Gresham – Chief Commercial Officer, former Head of Private Wealth Management at Fidelity
  - Kevin Ruth – Senior Advisor, former head of Financial planning at Fidelity and UBS
  - Cate Rioles – COO, former COO of Fidelity Family Office
  - Melissa Cruz – Consulting CFO, early investor, prior CFO for 5 SW companies, including 2 public

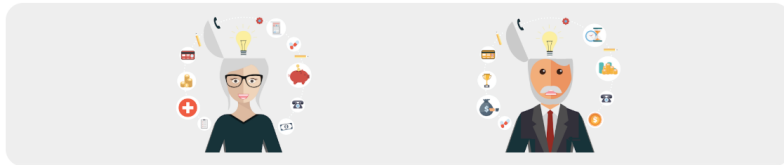
# Where we are now

- Intersection of Healthcare and Wealth is now at the forefront of investing client's minds – COVID-19
- New experienced team
- New enterprise focus and recent traction
- New software version complete 3.0

## Whealthcare Risk Profile Assessment

Name: Dina Carter  
Date of birth: Feb 22, 1962

Financial exploitation is on the rise, and older adults are especially vulnerable. Studies suggest that specific cognitive and behavioral traits place individuals at a higher risk for making poor financial decisions. The Whealthcare Risk Profile screen is designed to help identify personality characteristics that could make you vulnerable, and thereby protect you from financial abuse.



When it comes to making important financial decisions, in general, I...

- Spend a lot of time researching the potential costs, risks, and benefits
- Spend a lot of time researching
- Spend some time on research
- Rely mostly on my gut feeling
- Procrastinate until forced to

When hiring people to do work for me, I...

- Rely on the recommendation of others
- Thoroughly research the professional
- Rely on my good judgement

How would you rate your overall financial health, investment strategies, and...

- Excellent
- Very good
- Good
- Fair
- Poor

## Assessments

Click on an icon to start.

Financial Decision-Making

Diminished capacity

Healthcare decisions & costs

Financial management

Financial literacy

Living transitions

Estate planning

Need more help?

Driving transitions

# Whealthcare Planning 3.0



for Dina Carter

mary

**Description:** This assessment collects "trusted contact" information and creates a personalized plan outlining the steps a client needs to take to safely transfer financial decision-making authority.

**Time to complete:** About 5 minutes

**Best suited for:** All clients, especially those over 50. If more than one family member is involved in making important financial decisions, each should complete their own separate assessment.

**Output:** Names and responsibilities of trusted contacts, Decision-Making Transition Readiness Score, customized decision-making authority transfer to-do list

Start now

2020

in a manner you intend. This document is for informational purposes only and should not be used during your doctor or other professional's consultation.

Whealthcare Planning LLC is not a fiduciary. The accuracy of any such information is for informational purposes only and should not be used during your doctor or other professional's consultation.

# Why we need to invest more

- Grow recurring SaaS revenue while investing in:
  - **Product** – Enhance and integrate
    - **Software integration** - Create APIs and accelerate adoption
      - CRM/workflow systems – Salesforce, Redtail, Salentica, ServiceNow
      - Client solutions/portfolio management – Black Diamond, xTiva, SEI
    - **Application enhancements:** Version 4.0 - mobile app
  - **People** - Deepen the team to create scale for large enterprises
    - Customer service and integration professionals
    - Grow sales team in '21 and '22

| \$K     | 2018    | 2019    | Est 2020 | Est 2021 | Est 2022 |
|---------|---------|---------|----------|----------|----------|
| Revenue | \$45    | \$90k   | \$180    | \$900    | \$2,100  |
| Profit  | (\$570) | (\$211) | (\$775)  | (\$750)  | (\$380)  |

Cash flow positive in early 2022. Due to SaaS recurring revenue model (which is an annuity model), operating profit occurs in 2023.

Disclaimer: Projections are forward looking, contain uncertainty and cannot be relied upon in making investment decisions.

# Financing approach

- Company has relied on friends, family and executive leadership for funding to date of \$1.6 million.
- Current common stock valuation \$8 million.
- Now seeking up to \$2 million additional investment in a convertible note.
  - Converts to equity at either the next equity round (of \$1m or greater) or the sale of the company
    - 5% Discount in 1<sup>st</sup> year
    - 10% Discount in 2<sup>nd</sup> year
  - If neither occur, converts to common stock at a 10% discount at end of second year (May 2022)
  - \$200k additional investment in Note by Executive Team completed, raising balance externally
  - Term Sheet and copy of Note and Purchase agreement available

# Appendix

# Why are we doing this?

- We believe that wealth management **clients want – and deserve – health and longevity planning advice**, which is advice beyond investment strategies and current market conditions.
- We believe that advisors are often the **first to notice diminished financial decision-making capacity** and **have a duty to protect** their clients.
- Our mission is to provide simple tools that **enable advisors to more confidently and comfortably address health and longevity-related challenges** without needing specialized knowledge or training.

# Our unique value proposition to investors

- **The right place**

Merger and acquisition activity in **the financial technology sector** is expected to remain robust, especially for client-facing applications that enable high quality digital interactions.

- **The right time**

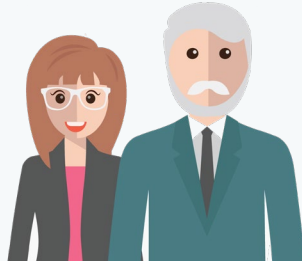
The **COVID-19 pandemic and collapse of the 11-year bull market** has rapidly accelerated the demand for health and longevity-focused planning and engagement tools.

- **The right product**

We provide **simple tools** that enable advisors to more confidently and comfortably **address their client's health and longevity-related challenges** without specialized knowledge. There are **no other products like this** available to advisors today.

# Demographic trends are profoundly changing the wealth management industry

- The average age of a financial advisor client is 64 – and rising.



- Surveys consistently show that health and longevity-related factors are client's #1 retirement worry.



- But advisors lack the tools and training to successfully address these concerns.



Leaving advice firms vulnerable:

- Investors tend to consolidate into fewer accounts as they age
- Most advisors hold only 50% of their client's assets
- 70%+ of children switch advisors after their parents die

# Our application meets a growing need

Financial exploitat individuals at a h characteristics that

LOGO company name

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Date of birth: Feb 22, 1962

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Spending some  
Rely mostly  
Procrastinate

When hiring people  
Rely on the  
Thoroughly  
Rely on my

How would you funds, investm  
Excellent  
Very good  
Good  
Fair  
Poor

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Prepare Market

ASSESSMENTS CLIENTS RESOURCES MARKETING SUPPORT MY ACCOUNT LOGOUT

## Estate Planning Assessment Summary Report

Click on an icon to start.

- Financial Decision-Making
- Diminished capacity
- Healthcare decisions & costs
- Financial management
- Financial literacy
- Living transitions
- Estate planning
- Need more help?
- Driving transitions

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Start now

- Cloud-based, software as a service (SaaS) application for wealth management, trust, and insurance companies.
- Enables an end-to-end digital client experience.
- Eight short assessments that can be used with **any client or prospect**, including family members.
- Most assessments take **5 minutes or less** to complete.
- **Personalized reports** include next best actions, health cost estimates, scoring, client preferences, and more.
- A diminished capacity assessment based on unique clinical study conducted at the **Massachusetts General Hospital**.
- A 7-question client prospecting Financial Wellness Safety "teaser".
- Application can be **white-labeled**.

# Our application has already received multiple major financial industry awards

2019  
InvestmentNews  
**ICONS &  
INNOVATORS**

**Winner** – 2019  
InvestmentNews  
Innovation Summit  
Award for Educational  
Materials

Wealth  
Management.com  
**2019 Industry Awards  
Winner**

**Winner** – 2019 Wealth  
Management.com  
Award for Thought  
Leadership from a  
technology company

Wealth  
Management.com  
**2019 Industry Awards  
Finalist**

**Finalist** – 2019 Wealth  
Management.com  
Award for Specialized  
Planning Applications  
and Risk Tolerance/  
Client Profiling from a  
technology company

# We offer significant benefits to advisors

- Deliver a meaningful end-to-end digital client engagement experience
- Empower advisors to **confidently and comfortably** address health and longevity-related challenges **without specialized knowledge**
- Enable advisors to engage in substantive client conversations **beyond investment strategies and current market conditions**



- Provide **point and click ease of use** with very minimal set-up time
- Help meet **federal & state-level Best Interest, fiduciary,** and senior protection regulations
- Facilitate the consolidation of held-away assets and the **acceleration of organic growth**

# Proof of concept: 2017-2020

- **Successful initial deployment** of versions 1.0 and 2.0 with 100+ independent financial advisory firms
  - Confirmed that focusing on healthcare and longevity, in combination with wealth management, creates **increased client engagement**
  - Product use revealed need for **even more simplicity** in the tools
  - Distribution model revealed need for **enterprise scale**
- Now introducing **Whealthcare Planning 3.0 for enterprises**
  - Features **new assessments**, better client engagement tracking, and greater simplicity
  - Makes difficult topics **more approachable for a broader class of advisors** – i.e., those in the “moveable middle” with limited experience but the desire to grow and succeed

# Go to market strategy: align with market leaders

- **BlackRock** – contracted to conduct a pilot with their consulting team to work with current broker/dealer and RIA clients on wellness and longevity issues
- **Fidelity Custody & Clearing** – joined their National Software Alliance that serves 1'000's of wealth management firms.
- **Cannon Financial** (the leading financial advisor training firm) – entered a partnership agreement to offer joint training services to advice firms.
- **ServiceNow** – collaborating on creating workflows that automate complex financial advisor tasks around client health-related issues.
- **Salesforce** – put us on the fast track for integration to help increase adoption of their Financial Services Cloud.

**BLACKROCK**



**servicenow**



# Leadership team

## Chris Heye, PhD, Founder

Dr Heye is a proven entrepreneur with extensive experience starting and growing technology companies. He received his BA from Wesleyan University and PhD from the Massachusetts Institute of Technology.

## Steve Gresham, Chief Commercial Officer

Mr. Gresham recently led the Private Client Group at Fidelity, overseeing more than \$1 trillion in assets. He is also principal of The Execution Project, LLC. He is a graduate of Brown University.

## Cate Riales, COO

Ms Riales worked at Fidelity Investments for over 30 years and served in numerous senior management roles, including Chief Operating Officer, Fidelity Family Office. Senior Vice President of Private Wealth Management and Senior Vice President ITT.

## Kevin Ruth, Consulting Senior Advisor

Mr. Ruth was most recently head of Wealth Planning and Personal Trust at Fidelity Investments. He also served as Chief Financial Planning Officer for Fidelity's Personal and Workplace Advisors LLC. He received his BS from the US Military Academy at West Point and Masters from The American College.

## Melissa Cruz, Consulting CFO

Ms Cruz was most recently the Chief Financial Officer and Board Member at N-of-One. She is five-time chief financial officer and served on the board of directors for two healthcare IT companies. She received her BS from Boston College and MS in Management from Lesley University.

## Tony Weiner, MD, Medical Director

Dr Weiner is a geriatric psychiatrist at Massachusetts General Hospital. He is director of Clinical Care, MGH Geriatric Psychiatry Clinical and Research Program and Millicent and Eugene Bell Director, MGH Older Adult Outpatient Psychiatry. Dr Weiner received his BA from Wesleyan University and MD from Boston University.

# Perspectives on “Financial Wellness”

- The Big Picture of "Wellness"  
<https://www.investmentnews.com/this-is-us-187866>
- The Eight Steps to Financial Wellness <https://www.fa-mag.com/news/eight-steps-to-financial-wellness-55837.html>
- Financial Wellness <https://www.fa-mag.com/news/the-search-for-wellness-54782.html>
- The New Importance of Advisor Tools  
<https://www.investmentnews.com/tuning-in-to-tele-advice-193110>

# Contact information

Thank you for your interest. For additional information or to schedule a demo, please contact Chris Heye, PhD.

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