

BraveHeart

Wearable Life Sensors



CONFIDENTIAL
September, 2019

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Executive Summary



- **The Company:** BraveHeart is a medical device platform developer and manufacturer based in New Hampshire founded in 2017 by a management team with extensive experience in the enterprise analytics and medical device technology industries and with multiple exits.
- **The Product:** A small, thin, wearable patch that has the most sensors on a single medical device in the market. BraveHeart is an open cloud platform that provides continuous real-time data. The unique design improves patient comfort and wearability. The solution enhances patient compliance and improves quality of data for the provider.
- **Revenues:** BraveHeart is revenue positive in 2019, with in-process contracts and corporate clients on- plan to generate over \$1.0 million in revenues.
- **Partners:** BraveHeart has partnership agreements with established companies as an OEM device and integration partner provider.
- **FDA Approval:** Patent-pending technology achieved initial **FDA 510(k) clearance** June 2019, K191331.
- **Transaction:** Raising \$20M equity for volume production, executing on the technology roadmap, additional regulatory approvals, and additional device trials.



A Wearable Biometric Platform Solution

Choice: Multiple BioSensors on one device

Standard Sensors

- EKG
- Heart Rate Variability
- Respiration Rate
- 3-Axis Accelerometer
- Skin Temperature

Optional:

- SpO2, BVP, Optical Pulse, Pace Detection
- More under development



Single-use disposable



Multi-use rechargeable

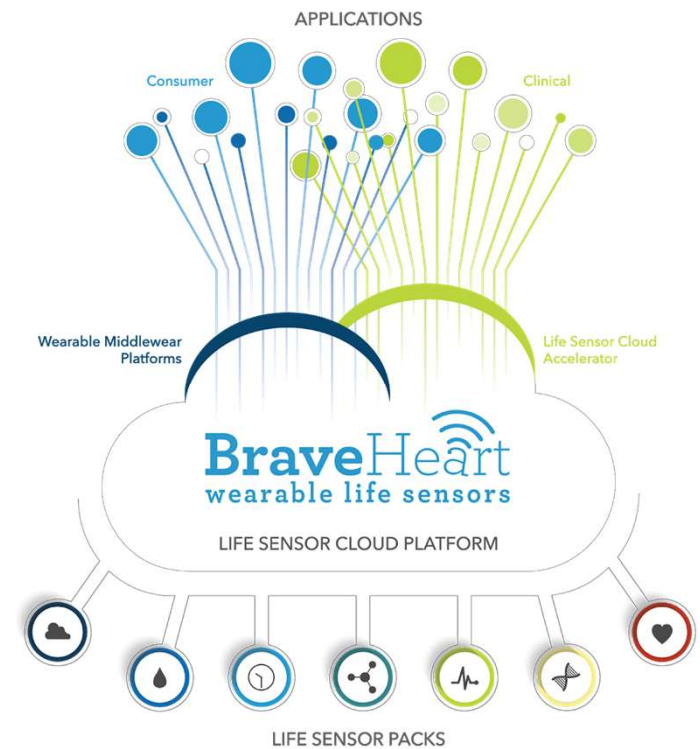
Imagine...



All sensors on one wireless wearable patch

The Platform

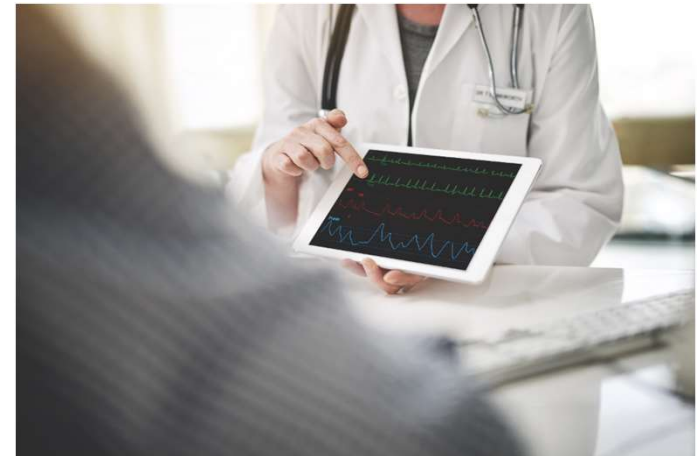
- Modular hardware architecture
- Using an open RESTful API & cloud accelerator
- Superior BLE performance, industry first multiplexing of active and passive sensors on a single patch (Patent Pending)



Platforms for multiple use cases

Connected Health applications

- Enabling continuous monitoring of health data
- Facilitating local clinics and telemedicine
- Easy integration w EHR systems and patient population health data for analytics



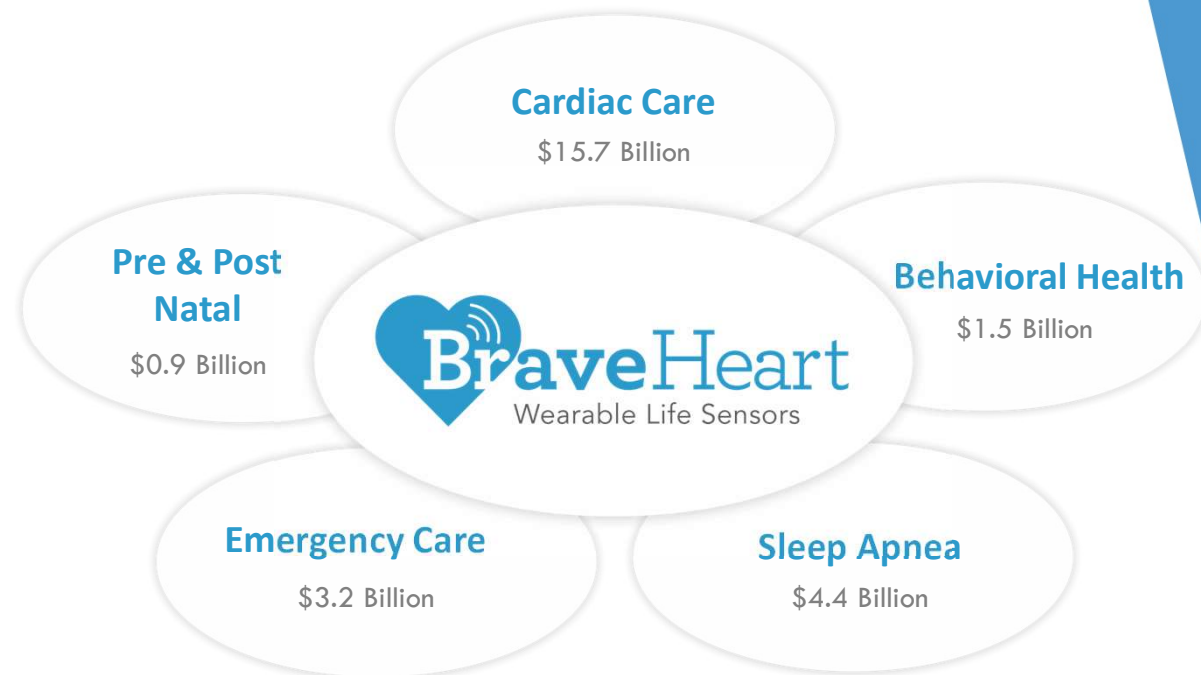
Market: Medical Wearables are Growing



By 2020:

- Connected Health Market projected to reach **\$59 billion**

- Remote Patient Monitoring grows at 49% CAGR with an estimated **36 million** patient-users



Potential OEM/Partner Market Opportunities

Cardiac Care



Pre & Post Natal



Behavior Health



Emergency Care



Sleep Apnea



Competitor Analysis: Cardiac segment



	BraveHeart	iRhythm Zio AT	VitalConnect	BardyDx	Preventice BodyGuardian	MC10 BioStamp
# of simultaneous Biosensors on single patch	6	1	3	1	1	2
Multiplexing active & passive sensors						
Modular architecture						
Open cloud platform						
Continuous Care Real time data						
Rechargeable						
FDA Clearance	2019	2013	2015	2014	2012	2018



Competitive Differentiators: ...the barriers we are creating

- **Everyday-wear form factor**
 - Smallest most comfortable, clinical quality, multi-sensor patch on the market
 - Single-use disposable and Multi-use rechargeable
- **Widest array of sensors on a single patch**
 - Covers multiple sectors of healthcare
- **Open-platform**
 - Modern, cloud based RESTful API and Modular hardware platform
 - Continuous data to enables telemedicine and other modalities
- **OEM / Partner channel model**
 - Accelerates penetration into multiple medical segments
 - Opportunities from small researcher to large medical device companies
- **Patent Pending Technology**
 - Initial patents filed on a critical method of multiplexing multiple sensors on a single patch
 - Passive and Active sensors

Our Team: Outstanding Experience

Steve McCalmont	CEO
Ralph Beck	VP Software Engineering
David Centauro	CFO (pro tem)
Michael Courtemanche	VP Software Architecture
Sharon Lake	VP Marketing (pro tem)
Stuart MacEachern	VP Hardware Engineering
Ted McAleer	VP Business Development
Dave Shimkus	VP Operations
Balaji Sudabattula	VP Quality/Regulatory Affairs



Leadership Team Background Summary



Steve McCalmont

CEO

30+ years Analytics & Enterprise Software:
Numerous successful startups with successful exits, 4 as CEO and founder
Net2Net, Avior, Visual Networks, Altaworks, Telematics, CrossComm, TCC



Dave Shimkus

VP of Operations

30+ years Medical device:
J&J, Bard, Boston Scientific, Stryker
West Point



Ted McAleer

VP of Business Development

20+ years Business Development:
P&G, SunGard, PepsiCo, USTAR
West Point, UVA, Harvard



Stuart MacEachern

VP of Hardware Engineering

30+ years in Microelectronics,
Hardware, IoT: Airvana, Seranoa,
Cereva
WPI



Ralph Beck

VP of Software Engineering

30+ years in software Architecture,
Implementation, and Product Release:
Seachange, Seranoa, Altaworks
RIT

Financials



Profit & Loss Statements (000's):	2017	2018	2019	2020	2021	2022
Headcount (EEs only)	4	9	28	33	77	103
Headcount (Contractors only)	10	10	8	8	7	11
Total Headcount	14	19	36	41	84	114
						36%
Revenues (Bookings):						
OEM	\$0	\$0	\$1,060	\$3,959	\$16,894	\$28,719
Research & On-Line	0	0	0	477	2,928	4,685
Pro Svs, OEM Support	0	0	0	334	2,703	4,325
Total Revenues	0	0	1,060	4,770	22,525	37,729
						68%
COGS:						
Products	0	8	384	1,975	6,193	8,903
Production Operations	0	0	257	790	2,580	2,811
Services & Support	0	0	0	527	1,548	2,162
Total COGS	0	8	641	3,291	10,322	13,877
						34%
Gross Profit	0	(8)	419	1,479	12,203	23,853
Gross Margin			40%	31%	54%	63%
Operating Expenses:						
Engineering	443	1,107	1,587	3,884	5,815	7,269
Clinical & Regulatory	0	120	369	538	664	1,162
MFG Operations	17	89	415	807	2,174	3,805
Sales & Marketing	29	152	631	1,927	2,321	3,482
General & Admin	176	382	507	1,339	1,998	2,498
Total Operating Expenses	665	1,851	3,510	8,495	12,973	18,216
						40%
Operating Income	(665)	(1,859)	(3,091)	(7,016)	(770)	5,637
Operating Margin					-3%	15%
Other Income / (Expense)	0	(9)	(20)	(40)	(80)	(120)
Net Income	(\$665)	(\$1,868)	(\$3,111)	(\$7,056)	(\$850)	\$5,517

Cash Flows (000's):	2017	2018	2019	2020	2021	2022
Seed - Series A	\$2,430	\$0	\$0	\$0	\$0	\$0
Seed - Series A2	0	450	1,875	0	0	0
Series B	0	0	20,000	0	0	0
Financing Costs	(15)	(15)	(1,000)	0	0	0
Revenue Collections	0	0	424	4,452	19,650	33,013
Capital Expenditures	(7)	(12)	(25)	(2,000)	(3,000)	(3,500)
Inventory Expenditures	0	0	(150)	(1,275)	(1,500)	(1,875)
COGS & Operating Expenses & Other	(574)	(1,850)	(2,537)	(10,673)	(20,693)	(25,411)
Interest, Taxes and Other	0	(8)	(20)	(40)	(80)	(108)
Net Cash Flows	\$1,834	(\$1,434)	\$18,567	(\$9,536)	(\$5,624)	\$2,120
Cash Beginning of Period	0	1,834	400	18,966	9,429	3,805
Cash End of Period	\$1,834	\$400	\$18,966	\$9,429	\$3,805	\$5,925

Footnote: Management's estimates of projected financial performance.

Financial Notes



Revenues: BraveHeart is revenue positive in 2019, with in-process contracts and corporate clients on- plan to generate over \$1.0 million in revenues.

Growth: BraveHeart management projects contracts will produce over \$37 million in revenues and \$5.5 million in EBITDA in 2022. Management believes that significant additional upside could come from leveraging its OEM and integration partner relationships.

FDA Approval: Achieved initial FDA 510(k) clearance June 2019, K191331, and it is being used as predicate for follow-on approvals. The next major approval is the CE mark. Completion of this approval will open-up European markets.

Costs: As BraveHeart moves into a higher product manufacturing and marketing mode, the company will invest to expand technical support capabilities, and to improve manufacturing efficiency by implementing machine automation. The company will invest \$0.8 million during 2019, and \$1.4 million during 2020, to expand clinical and regulatory operations, and \$1.6 million during 2019, and \$3.9 million during 2020, to continue making product enhancements, and \$0.6 million during 2019, and \$1.9 million during 2020, to expand the sales and marketing organization.

Footnote: Management's estimates of projected financial performance.

Valuation



Revenues: BraveHeart has received its core FDA approval in 2019 and expects to generate \$37.7 million in revenues and \$5.5 million in EBITDA in 2022, which would value the company in excess of \$330 million at a conservative industry average multiple of 10x revenues.

Units: BraveHeart projects to sell approximately 140,000 units in 2022, which combined with their revenue-positive customer contracts with leading medical technology companies, creates significant value in the medical device industry.

Comps: 1) Vital Connect raised \$22.1 million in 2016 at a \$150 million pre-money valuation to develop and commercialize a product with limited sensors (BraveHeart has 6), no customizable open architecture technology (like BraveHeart), and not rechargeable (like BraveHeart).

Comps: 2) iRhythm is publicly traded under the ticker IRTC and has a market capitalization of over \$1.8 billion on revenues of \$180 million. BraveHeart management also believes they have an inferior product, with only 1 sensor, no customizable open architecture technology, and not rechargeable.

Estimated Return: Management believes that if they were able to sell the business in 2022 at the industry average revenue multiple, they would generate a 6x return from a conservatively low revenue multiple to a possibly higher multiple for investors in the Series B equity round.

Footnote: Management's estimates of return multiples to investors on their initial investment.

Potential Exit Comparables



Medical Technology

- CardioMEMES: 10x +
- Megadyne: 10x
- Cardiac Science Corp: 8x
- CardiInsight: 6x

Computing and IoT

- Nest: 30x
- Ring: 25x +
- Propeller Health: 12x +
- Fibaro: 10x

Footnote: Management's estimates of return multiples to investors on their initial investment.

Transaction



Series A1 Financing (Completed 2017): BraveHeart completed a \$2.42 million Series A1 equity round at a \$7 million pre money valuation.

Series A2 Financing (Completed 2019): BraveHeart completed a \$2.15 million Series A2 equity round at a \$11.57 million post-money valuation.

Series B1 Financing (Pending 2019): BraveHeart is raising \$5.0 million of the \$20.0 million Series B equity round in the fourth quarter of 2019 structured as a convertible note with a 15% discount to the Series B2 \$40.0 million pre-money valuation.

Series B2 Financing (Pending 2019): BraveHeart is raising \$15.0 million of a \$20.0 million Series B equity round in the fourth quarter of 2019 at a \$40.0 million pre-money valuation.

Use of Proceeds: 1) volume production, 2) executing on the technology roadmap, 3) additional regulatory approvals, 4) expand sales and marketing, 5) additional device trials.

Use of Proceeds Summary



2019 - 2020				Combined			
				2019	2020	Total	% of Total
(in Millions)							
Product Development				1.6	3.9	5.5	34%
Clinical & Regulatory				0.8	1.4	2.2	14%
Product Launch Sales & Marketing				0.6	1.9	2.5	16%
Manufacturing COGS and Overhead				0.7	3.3	4.0	25%
General and Administrative				0.5	1.3	1.8	11%
Total				4.2	11.8	16.0	100%



Empowering the Healthcare Horizon



Contact Information

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