Relevant Health
Building the Health Tech Capital

Program Summary

July 2016
RH is a health technology accelerator in the heart of the nation’s capitol region with the first cohort running October 26, 2015 – March 30, 2016

- 7 startup companies begin RH’s five-month program on October 26th 2015
- RH companies receive a $50,000 stipend in exchange for 8% equity in their Company
- Located in Montgomery County, MD, close to the unmatched public health resources
- Robust network in MD and beyond
The Opportunity
Maryland’s 1st product-focused health tech accelerator

It’s a crowded field, why another accelerator?

- 27 comparable health tech accelerators, many launched within last 2 years, but only 1 in the Delaware, Maryland, D.C., Virginia region
- Existing accelerators neglect product development: startups emerge from the accelerator without a functional product, then struggle to gain traction

Health tech requires a longer timeline than the typical accelerator models allows

- Strategic partnerships take 6-12 months to form
- Pilots with insurance companies and hospitals are difficult to achieve but critical to demonstrating value proposition

Relevant Health provides a curriculum focused on building products and offers long term partnerships through BHI and the Montgomery County Incubation Network
Relevant Health’s Mission and Vision

Mission
- Provide the missing piece to Maryland’s health tech innovation ecosystem – a connection between the startup community and established, regional health assets – by developing talented people that build differentiated health technology products and accelerate the growth of innovative companies

Vision
- **Short-term**: Accelerate early-stage companies time to the market with validated products
- **Medium-term**: Expanding links to region’s strong network of research, regulatory, payer, provider, and private sector stakeholders
- **Long-term**: Create vibrant health-tech ecosystem and hub that spans the national capital region to Maryland
What Makes The Relevant Health Program Unique?

<table>
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<tr>
<th>Category</th>
<th>Description</th>
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<td>Product-first focus</td>
<td>• Structured, formal curriculum focused on building both product and company ensures a product at demo day, not a well-rehearsed presentation&lt;br&gt;• Dedicated in-house software development team</td>
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<td>Pilots, customers, and funding</td>
<td>• Access to robust network of big pharma &amp; biotech, venture capital, medical device, academia, insurance, government agencies, and international trade representatives</td>
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<td>Long-term partnership</td>
<td>• Opportunity to partner with BioHealth Innovation and other local partners that offer year-round commercialization support</td>
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Unrivaled regional health assets that support health technology including the NIH, FDA, NSA, and Johns Hopkins
Founding Partners

- Facilitates the support of entrepreneurship in the health industry and the commercialization of market-relevant research from universities, federal labs, and biohealth companies in Central Maryland. Deep network of top tier venture capital, large pharma, & medical technology companies.

- Product acceleration company that supports tech startups with product strategy, marketing, and management and software development management.

- Provides facilities management to four incubators and the Rockville Innovation Center, where RH is located.
Relevant Health’s 5-Month Model

- **Program Start**: 4 weeks
- **Introduction and Boot Camp**
  - Intro to Program
  - Product Boot Camp
  - Initial Business Planning
- **6 - 8 weeks**
  - **MVP Preparation**
    - Product Management
    - Marketing (e.g., presentation skills, elevator pitch)
    - Product Backlog Development
    - Plan for MVO
- **8 - 12 weeks**
  - **MVP Build**
    - Building MVP
    - Product Management (continued)
    - Marketing (continued)

**Execution**
- Regular interactions with:
  - Investors
  - Leading Companies/Individuals
  - Test Groups

- Provides startups with product-focused support and incorporates repeated validation sessions that provide interaction with investors, corporate partners, and users.
- Post-demo day, longer term partnerships are offered through BHI and the Montgomery County Incubation Network.
# Relevant Health Network

## Private Sector
- gsk
- GlaxoSmithKline
- AstraZeneca
- BD
- Adventist HealthCare
- SR-one
- Roche
- MedImmune
- emergent biosolutions
- NORTHROP GRUMMAN
- VENABLE LLP
- KAISER PERMANENTE
- United Therapeutics Corporation
- aronson
- M&T Bank
- Capital Management, LLC
- DB Capital
- Deloitte
- Peranteau Inc.
- DreamIt Health Baltimore
- GenVec
- ATCC
- Ernst & Young
- NEA
- Cassidy Turley Commercial Real Estate Services
- ALEXANDRIA Rare dedication
- sigma-tau Pharmaceuticals, Inc.
- NOBLE LIFE SCIENCES
- GREENSPRING ASSOCIATES

## Government
- MONTGOMERY ECONOMIC DEVELOPMENT
- Montgomery County Business Development Center
- INVEST MARYLAND
- University of Maryland Economic Development Administration
- Frederick County Government
- National Heart, Lung, and Blood Institute
- National Institutes of Health
- SBA

## Academia
- UNIVERSITY OF MARYLAND
- University of Maryland BioPark
- Johns Hopkins University
- Mtech
- FASTFORWARD

## NGOs
- Economic Alliance of Greater Baltimore
- Tech Council of MD
- Maryland Technology Enterprise Institute
- TEDCO
- SSTi
- MITRE
Implementation & Funding

Funding and Partners
- Relevant Health is a $1,000,000 program

Three types of supporters:

- Investors
  - Investors receive Class A Preferred Distribution Units in Relevant Health Holding Company which holds the common stock in the companies (see appendix for distribution structure)

- Supporting Partners
  - Funding supports operational budget for the accelerator management and programming for the organization. Option selected for partners who are conflicted by being investors in the companies. Nonprofit donation also an option.

- Network Partners – In-Kind
  - Building RH network – test beds, events, meetings, facilitation, and outreach from people and organizations that can impact the direction of the companies
Key Performance Metrics

Success for Relevant Health

- Supporting the health tech capacity in the region: A groundswell of early stage health tech entrepreneurs coming to the area to grow their companies (inside and outside the accelerator)

- Partners engaged in supporting the entrepreneurial ecosystem

- Seed capital increasingly flowing to the health tech sector

- Cohort companies progress:
  - Product development
  - Customer acquisition
  - Fundraising
Co-working facility in Rockville, Maryland Innovation Center
- Dedicated accelerator co-working space (4500 sq. ft.)
- Hosted events for participants and alumni; open year round

Timeline
- 1st Program October 26, 2015 - March 2016
- 2nd Program – February 2017 – June 2017
  - Marketing kick-off in November 2016
Seven Companies in the First Relevant Health Cohort

CheeksUp

AgeWell biometrics

Iazy

Ergonometri

We’ve got your worker’s back

GastroGirl™

EMPOWERING OPTIMAL DIGESTIVE HEALTH

Neopenda

GlucoseMama
Seven Companies in the First Relevant Health Cohort

Wearable devices and sensors
- **Agewell Biometrics (Baltimore)** is developing a data analytics tool which can use the accelerometers in cell phones and wearables to determine risk of falling among seniors.
- **Ergonometrix (Rockville)** is developing a wearable device to determine the risk of back injury.
- **Neopenda (New York City)** is developing a monitor to measure neonatal vitals with engineered hats for use in the developing world.

Consumer-facing mobile health
- **CheeksUp (Riga, Latvia)** is developing a gamified system for children receiving speech and language support.
- **Gastro Girl (Falls Church, Virginia)** is developing a technology platform focused on delivering health coaching and support to the GI community.
- **Werbie (Bethesda)** is developing a mobile and web application focused on the dietary needs of women managing high risk pregnancies specifically manage gestational diabetes.

Provider-facing health IT
- **Lazy (Washington, DC)** is developing a product to automate and streamline the collection and submission of key quality metrics by hospitals and other health providers.
2016 Cohort Performance Metrics

Performance Metrics include

- 170 Demo Day Registrants
- Company retention: 6 of the 7 companies retained locally through June 30th
- County investment leveraged more than 1:1
  - US Small Business Administration - $25,000 (Accelerator Challenge)
  - MITRE Corporation - $25,000
  - Private investors - $198,000
  - BHI General Fund - $300,000
- Pilots completed: 5 - Agewell Biometrics, 2 (Motion Picture Television Fund & Portland, OR assisted living facility. ErgonometriX, 3 (Movers, Firefighters, Manufacturing floor)
- Follow-on capital raised: $600,000 (Neopenda, Lazy Corporation)
  - Neopenda won the Cisco Internet of Everything Innovation Challenge Prize
  - Werbie won Maryland Industrial Partnerships award
- ErgonometriX finalist at the Regional BioHealth Capital Forum Crab Trap Competition
Strategic investors in the program can receive a preferred distribution on Capital returned from shared ownership in the companies.

### Distribution of Profits / Losses Among Share Classes

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<th>Role</th>
<th>Distribution Details</th>
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<tr>
<td><strong>Investors:</strong></td>
<td>Class A Shares shall receive 100% of the distributions on a pro rata basis (of A Units) until $1.00 has been distributed for each A Unit.</td>
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<td><strong>Program Managers:</strong></td>
<td>Class B Members shall then receive 50% of the distributions on a pro rata basis (of B Units) and Class A Members shall receive 50% of the distributions on a pro rata basis (of A Units) until $2.00 has been distributed for each A Unit.</td>
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<td><strong>Tax Implications:</strong></td>
<td>Any distributions back to investor taxed as capital gains. If distributions do not occur immediately, investors would recover a tax loss that can offset to other passive income from other investment holdings.</td>
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