BUSINESS PLAN

"Et produkt, hvor omsorg for ældre er baseret på intuitive løsninger, unikt tilpasset til brugerne og deres pårørende. For at afhjælpe smerter, og gøre livet mere sikkert for ældre, har vi skabt en simpel og automatisk løsning."

"A product where care for seniors is based on intuitive solutions, uniquely adapted for the users and their caregivers. In order to alleviate pains and make life safer for seniors, we have created the most simple and automatic solution possible."

TABLE
OF
CONTENTS

Clarification of key concepts

Lean methodology

The Lean Startup takes its name from the lean manufacturing revolution that Taiichi Ohno and Shigeo Shingo are credited with developing at Toyota. Lean thinking is radically altering the way supply chains and production systems are run. Among its tenets are drawing on the knowledge and creativity of individual workers, the shrinking of batch sizes, just-in-time production and inventory control, and an acceleration of cycle times. It taught the world the di erence between value-creating activities and waste and showed how to build quality into products from the inside out.

Long-term care

Long-term care encloses a range of healthcare services including home care, assisted living, hospice, and nursing homes.

Co-creation

A business strategy focusing on customer experience and interactive relationships. Co-creation allows and encourages a more active involvement from the customer to create a value rich experience." (businessdictionary.com 2016)

Personal emergency response system

Personal Emergency Response Systems: "Personal Emergency Response Systems (PERS), also known as Medical Emergency Response Systems, let you call for help in an emergency by pushing a button. A PERS has three components: a small radio transmitter, a console connected to your telephone, and an emergency response center that monitors calls." (Federal Trade Comission 2008)

Assisted living technology

Assisted Living Technologies: Assisted living technology (ALT) is used as part of a range of services that help people maintain their independence by providing assistance in daily tasks or in any emergency situation.

1.0 Executive Summary

Sarita CareTech is a start-up based in Aarhus which develops and markets hardware and software for electronic wearable devices. The main purpose of Sarita is to provide a complete service including safety, independence and peace of mind to the elderly population and an easy to use remote patient monitoring system for the caregivers. This is achieved by the development of a personal emergency response system (Sarita Pearl) including auto-fall detection, intercom, call button, GPS & Geo fence connected to a cloud based monitoring system (Sarita Lighthouse)

Sarita does currently focus on B2B market where the main customers are home care services and nursing homes. These organizations are facing labour shortages and sustainability issues due to the ageing population. There are only 7% of the long-term care institutions use PERS. The directions of the Danish state policies are encouraging the development and implementation of ALT.

The current technologies lack automatic, easy to use and aesthetic solutions adapted to the seniors and caregivers needs. There are multiple competing companies worldwide, however only three products contain specific attributes of cellular wireless range capabilities in Denmark and these could be labelled as our direct competitors, which are: VisionOne, Nestwork eNest and StellaCare. Sarita Pearl was proven valuable for the long term care sector due to its multipurpose, easy usability and aesthetic product design.

The company was in the phase of the product and market development from Q3 of 2016 to Q3 2017, aiming for a successful co-creation with Klejtrup Friplejehjem, our first customer. An extensive market research was conducted and many prototypes built to reach market transparency and develop a product market fit to ensure a secure market entry in Q1/2018.

The preferences at nursing homes and home care services were aesthetic design and high accessibility. The municipalities would prefer saving money (lower price than competitors, automatization within care). The end-users preferred an aesthetic and user-friendly product interface, the caregivers preferred an easy to use and automatic monitoring system that saves them time and money. Therefore the value proposition sounds alike:

"Sarita Pearl is an easy to use and aesthetic personal emergency response system that provides an automated solution for caregivers and residents. Sarita Pearl liberates seniors to enjoy an independent life and sets caregivers free of constant personal supervision of their residents. Sarita Pearl allows long-term care institutions to save time and money while increasing their service quality. "

2.0 Company Description

Sarita Caretech IVS does currently operate under the address of 691. Silkeborgvej, Brabrand, 8220, Denmark. The company was founded in Q4/2015 and currently employs 17 personnel. There are 6 shareholders, 9 interns, 1 volunteer and 1 part-time employee. The CVR number of the company is: 37 15 53 57 and the general contact details are the following. E-mail: info@sarita.dk Cell: +45 26 50 44 04. Web: www.sarita.dk.

2.1 Mission

At Sarita CareTech we strive towards offering a service, that can provide safety, independence, peace of mind to the elderly population and improve the variety of technology caregivers use to alleviate the pains and satisfy the needs of the ones that are being taken care of. We want to see a future, where seniors can pursue their dreams and live their life with dignity, regardless of age.

2.2 Vision

Our vision for the future, is to build a company attuned to the market needs, bringing new innovative products to the industry, with service, design and development as the driving forces. A product with a service where care of the elderly is based on intuitive user solutions, uniquely adapted to the person, not the other way around.

2.3 Company History

In 2014, our founder, Nikolaj Kjær Nielsen, worked at a Nursing home. Part of his job, was administering medicine to one of the patients before bedtime. One morning, as he came to check on her, he found her lying on the floor. She had fallen during the night, unable to call for help, meaning no one knew of her mishap.

In order to prevent a similar situation from ever occurring again, Nikolaj pulled together a talented team of people, whom are working tirelessly for the past two years to create an efficient, electronic and user-friendly solution, the Sarita Pearl, pioneering to prevent anyone from facing an injury without immediate help.

2.4 Company Overview

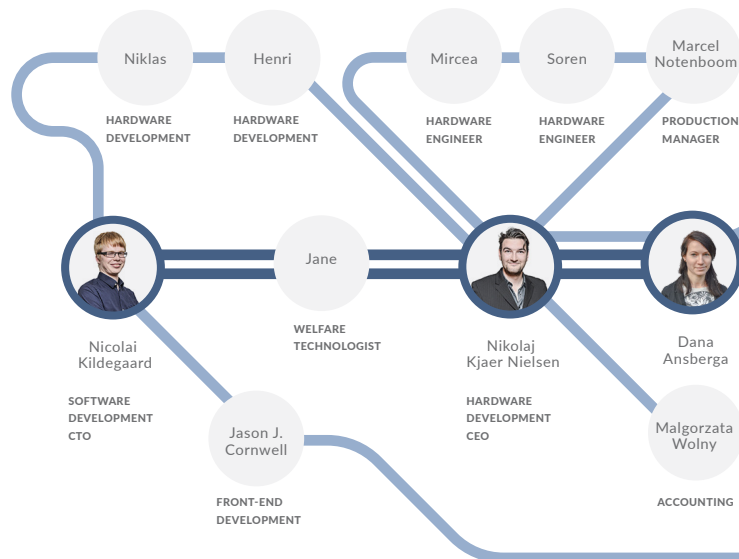| Nikolaj Kjaer Nielsen (27)	Nicolai Kildegaard (26)	Rasmine A. Rasmussen (23)	Dana Ansberga (30)	Dénes Domenik (27)	Daniel Lobian (27)
CEO	**CTO**	**CHRO**	**CPO**	**CBDO**	**CSO**
DENMARK, RUSSIA	DENMARK	DENMARK	LATVIA	HUNGARY	DENMARK, RUSSIA

Sarita CareTech is proud of it's bootstrapping mentality. The company was built on a premise of keeping the know-how in-house in order to continuously adapt to changes and lead innovation on the ALT industry. The four shareholders are covering the most important fields in regards of building a successful tech-startup venture: Nikolaj Kjaer Nielsen (CEO and Hardware development), Nicolai Kildegaard (CTO and Software development), Denes Domenik (CMO and Design) and Rasmine Andersson Rasmussen (CHRO and Administration). There is a wide range of mentors and advisors (Appendix "A") to the project as well to minimize the risks and receive continuous professional feedback.

RESEARCH & DEVELOPMENT

BUSINESS DEVELOPMENT

Niklas — HARDWARE DEVELOPMENT
Henri — HARDWARE DEVELOPMENT
Mircea — HARDWARE ENGINEER
Soren — HARDWARE ENGINEER
Marcel Notenboom — PRODUCTION MANAGER
Peter — SALES
Nikolaj — SALES
Daniel Lobian — PEOPLE AND RELATIONS
Nicolai Kildegaard — SOFTWARE DEVELOPMENT CTO
Jane — WELFARE TECHNOLOGIST
Nikolaj Kjaer Nielsen — HARDWARE DEVELOPMENT CEO
Dana Ansberga
Rasmine A. Rasmussen — CHRO
Dénes Domenik — MARKETING AND DESIGN
Jason J. Cornwell — FRONT-END DEVELOPMENT
Malgorzata Wolny — ACCOUNTING
Adam Fejes — CFO

Sarita CareTech is collaborating with many educational institutions therefore the company has a dynamic and innovative culture, providing internship positions for students who want to challenge the status quo and take an active part in the development and the realization of the concepts. The company has a flat structure (Appendix "E") that enhances collaborative work over professional fields and departments. Subsequently, there is a wide range of employees working on the project as interns, volunteers and part timers with professional backgrounds from electronic engineering, IT, business development, marketing and sales providing vast amount of human resources to accelerate the realization of the project.

2.5 Business Model

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
Klejtrup Friplejehjem	Research and Development	Pearl smart wearable	Direct Sales, Co-Creation	Private Nursing Homes
Himmerlands Vikarservice	Software development	Lighthouse monitoring platform	Lighthouse platform Upsell and Analytics	Private Home Care
Aarhus Kommune	In-House prototyping (3D printing)	Automated Remote Patient Monitoring	www.sarita.dk	Danish Municipalities
ETK (EMS)	Content Marketing		Online Blog, Social Media	Danish Distributors (B2B)
Care Call (Distributor)	Direct Sales and CRM	Personalized Casings	Professional magazines (Aeldre Sagen, Pensionist.dk)	International Distributors
Welldana (Distributor)	Co-creation	Next Generation Fall Detection		
Vaeksthus Mydtjylland				
Aarhus University	**Key Resources**	Easy to Use Interfaces	**Distribution Channels**	
Innovationsfonden				
nVidia Inception Program	Team of 17 (Bootstrapped)	Direct communication via the Intercom system	B2B Distributors	
Ivaerkseterpilot	2x 3D printer, Vacuum forming machine, HeatPress, Lasercutter	Mobile Coverage	Hjaelpemiddelbasen (Public ALT distribution)	
CareWare				
Nuremberg Altenpflege	SARITA Brand	External Sensors and Smart Body Automation (future)	Personal delivery Setup and Training	
Danish Tech Challenge	Machine Learning Fall Detection algorithm			
Delta		Guardian Angel Network (future)		
Nordic Startup Awards	Draft account 250.000 DKK			

Cost Structure	Revenue Streams
Operating costs: 100.000 DKK/month Pearl CPU: 1000 DKK (3D printed) Pearl CPU: 500-200 DKK (Injection molded, not including fix costs) Monthly subscription cost: 20DKK/unit	Asset Sale (Pearl): 2490DKK/unit External sensors: 500-3000 DKK/unit Monthly Subscription: 249DKK Big Data sales

The main profile of Sarita Caretech is the development and marketing of wearable electronics for the long-term care sector. However the company is a flexible SME keeping all its know-how in-house to acquire a competitive edge in flexibility, adaptability and innovation the running costs are relatively low due to the creativity of the management team in the fields of human resources management and research and development.

The company is implementing a servitization business model, by providing a cloud based monitoring service for its wearable devices. Therefore the revenue streams include asset sales and monthly recurring subscription fees. The key resources are electronics manufacturing services, webhosting and phone service providers with low bargaining power allowing Sarita Caretech to optimize production costs and service fees. The customer relations and distribution strategy is focusing on a combination of direct sales and distributors.

Direct Sales to enter each segment and build trust by documenting each institutions cases as references and to support further research and development and content marketing efforts. Distributors to increase the effectiveness of market penetration, and outsource customer service and technical support developing further growth.

3.0 Market analysis

Denmark has a state responsibility model for providing long-term care services for Danish citizens without any charges for the individuals. The model is decentralized, which means that the 98 municipalities administer and finance the LTC institutions from local taxes and block grants from the state. The long-term care institutions include Nursing homes, Home care services, Special dwellings for the elderly, Assisted living facilities and Community care centers (Lokalcenters). These institutions provide formal care to people living with conditions and/or to the elderly population in need of assistance with personal and practical tasks. In 2007 long-term care services were provided to 206.600 individuals, accounting for 3,8% of the Danish population. 80% of them was receiving help at home, and 20% was staying in long term care institutions.

The sector is influenced by the demographic issues of ageing societies and labor shortages. The strategy of Danish Ministry of Social Affair is to support ageing in place to keep the system financially sustainable. Consequently, there are aspirations to support the development and implementation of assisted living technologies for the elderly to remain in their own homes e.g. "The joint public strategy of digital welfare 2013-2020". A big proportion of assisted living technologies in Denmark is sold trough a centralized online distribution channel for ALT purchases. In the state legislations municipalities are obliged to support the individuals ALT purchases by 50% if the price of the durable exceeds 500 DKK. Furthermore, the free choice of supplier act in 2003 formed the monopole industry to olygpoly that allowed Private suppliers to enter the LTC services industry. Therefore, there are both private and public institutions are operating in the sector, creating a competition that aims to increase service quality.
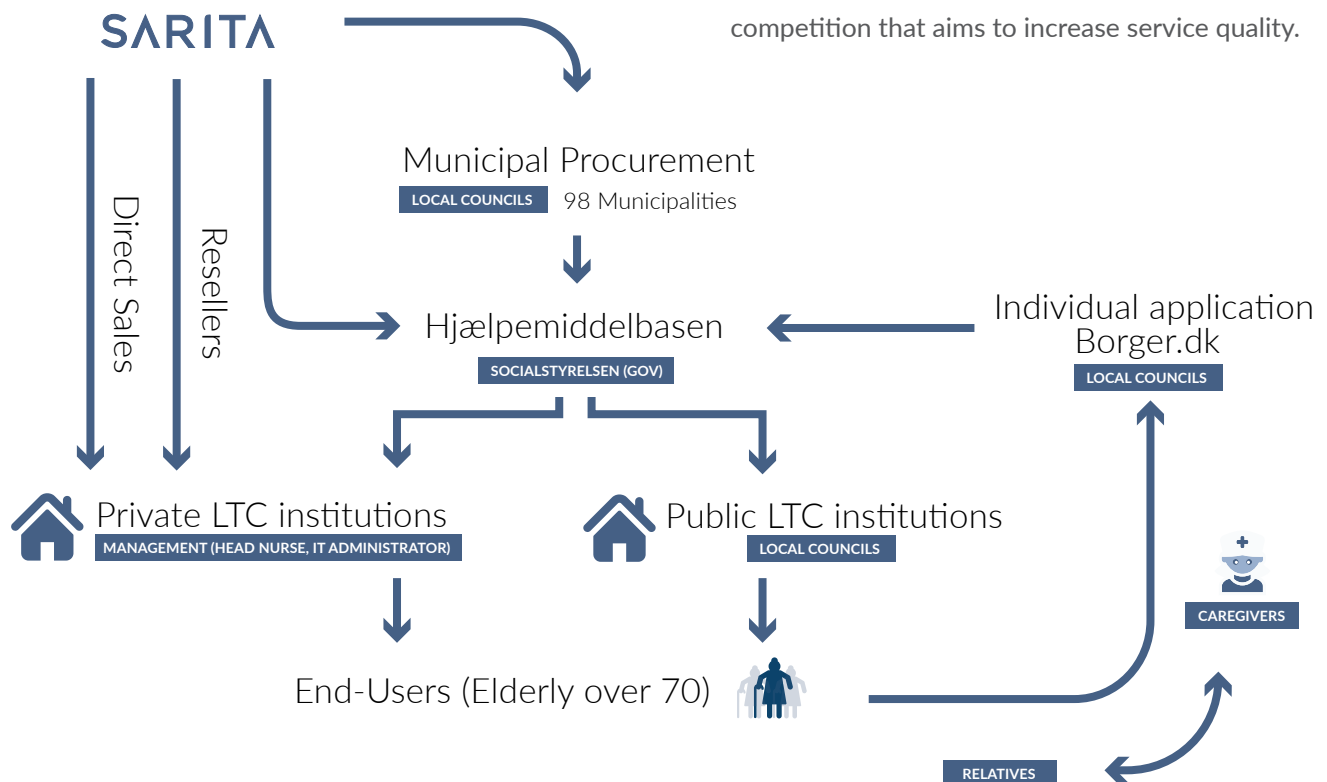
3.1 Demographics

Seniors account for a disproportionate share of health care consumption. As the massive baby boomer generation ages, it will put unprecedented strain on the healthcare infrastructure, especially long-term care. This problem will be exacerbated by increasing life expectancy, and the governmental cuts on healthcare expenses. The Old-age dependency ratios were constantly raising in the last 30 years and the trend is expected to continue. The booming elderly population represents high purchasing power in the developed countries that accumulates high demand for assisted living technology products.

Old-age dependency ratios

Number of people aged 65 and over as % labour force (aged 15-64), forecasts
Source: European Comission
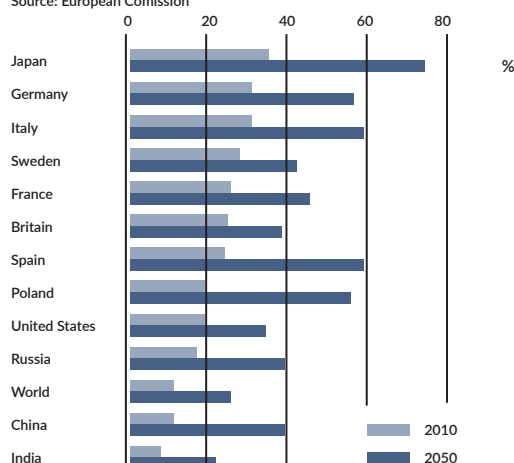
Age dependency ratio, old (% of working-age population)

World Bank staff estimates from various sources including census reports, the United Nations Population Division's World Population Prospects, national statistical offices, household surveys conducted by national agencies, and ICF international.
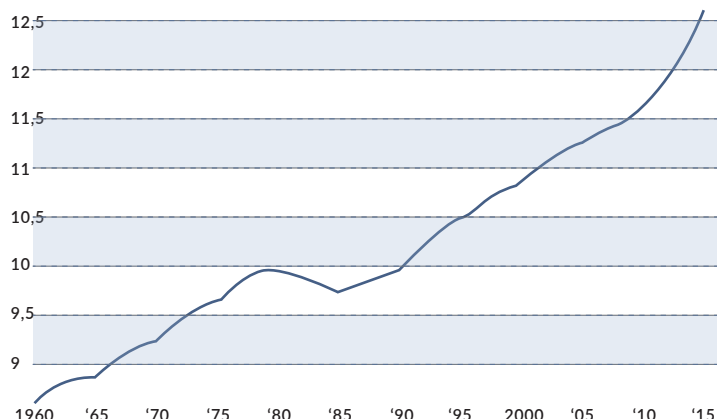
32-42% OF PEOPLE OVER 70 FALL ONCE A YEAR

15HRS MEDIAN TIME SPENT INCAPACITATED

Falls are the leading cause of an injury and death among seniors. Globally, 4 out of 10 falls are fatal for elderly over 70. One of the most serious dangers of a fall is the potential of a long period of time spent on the ground.

3.2 Trends

The latest trends indicate a shift from institutional care to the already growing home care services. Sarita CareTech aims to develop smart solutions to support the Senior members of the society growing old in their own homes using technology to live an independent and quality life. This approach provides beneficial alternatives to every stakeholder in the healthcare industry. An international survey showed that 90% of Seniors were preferably aged in their own homes, and the most common reason for moving into healthcare institutions were falling and the fear of falling. Sarita CareTech has recognised these customer pains and focused on developing automated and easy to use

technological solutions as a smart body eco-system to support the Seniors daily living and connect them to their caregivers in any given emergency situation. Furthermore, the amount of data collected from such a monitoring system with a large user base, can provide access to another growing industry. The analytics of Big Data in relation to customer behaviour and health patterns will present further potential for Sarita CareTech to expand its knowledge and trade anonymous information to stakeholders in the healthcare industry and/or businesses targeting the same customer segments.

3.3 Market segmentation

INNOVATORS	EARLY ADOPTERS	EARLY MAJORITY	LATE MAJORITY	LAGGARDS
PRIVATE NURSING HOMES	PRIVATE NURSING HOMES PRIVATE HOME CARE	PUBLIC NURSING HOMES PUBLIC HOME CARE COMMUNITY CENTERS	MUNICIPALITIES HOSPITALS	MUNICIPALITIES HOSPITALS

3.3.1 Innovators: Private Nursing Homes

"In Denmark there are approximately 3,000 nursing homes, which is largely used for the relief of dementia. There are nursing homes with down to eight residents but newly built nursing homes host around 40-50 residents, which is considered ideal in comparison to have a wide group of staff employed. The average time of stay in nursing homes is just over four years and the average age when a nursing home resident moves in, is 84.5 years. 20 percent of Danes, aged 81-85 years live in nursing homes. For Danes aged 86 to 90 years this number increases to 85 percent." (Kristeligt Dagblad 2015)

Sarita Caretech considers the Private Nursing home sector as its Innovators in fact that the testing processes of the product require a closed environment with a close collaboration. The nursing home segment is aware of the problems with their patients falling and wandering (Exploratory Interviews) and the institutionalized care environment provides a perfect opportunity to test and develop the product in close collaboration with the end-users and customers. However, private nursing homes ALT technology purchases are dependent on the central distribution and individual applications of their residents where they are the key influencers, they are also willing to finance ALT purchases themselves in order to unify their systems by the implementation of an overall easy to use administration system. These private institutions are also more opened to new technology in order to alleviate customer pains, increase their service quality and operations management to lead the competition in the LTC sector. They are welcome to test prototypes, therefore beneficial co-creation (Prahalad, C.K.; Ramaswamy, V. 2004) collaborations can be developed with them where both parties win. Sarita Caretech can test the product functionalities and adapt to the needs based on real costumer feedback, and the Private Nursing Homes can influence the product development phase to fit the solution better to their needs.

3.3.2 Early Adopters: Private Nursing Homes and Homecare services

In Denmark there is approximately 200.000 people receive home care services delivering 1-1.1 million hours of care hours every week. (Fritvalgsdata-basen.dk 2016) Home care services are provided by both private and public LTC institutions and financed by the municipalities (Ministry of Social Affairs Denmark 2009).

The Danish government supports community care over residential care (Schulz, E. 2010) due to the preferences of the elderly (Salonen, K. 2009) and to drive cost savings on healthcare expenditures. These trends indicate a shift from institutional care to the already growing home care services. Due to the free choice of supplier act there are Private and Public home care services operating in the Danish LTC sector. 64% of 98 Municipalities are offering an alternative choice to the public home care service in the form of allowing private home care service to compete on the market (CESEP 2007).

Taking the trends into consideration, Sarita CareTech aims to develop its solution to support the Home care service sector as well. The characteristics of Home Care Services are similar to Nursing Homes on the basis that they are delivering both personal and practical care to their clients.

In fact the Early Adopters of Sarita Pearl can be characterized as Private Nursing Homes and Private Home Care services. The management and healthcare workers of private and public Home care services are dependent on municipal funding regarding its technology purchases (Ministry of Social Affairs Denmark 2009), however they are the main influencers when their clients apply for a PERS. Therefore a ready product is needed to be developed and tested in order to supply the sector. The organization's innovativeness is driven by the free choice of supplier act which encourages the private sector to invest into new technology to increase its service quality and compete with the public sector.

3.3.3 Early Majority

The early majority is considered to be the Public LTC sector, mainly the Public Nursing Homes, Community Centers and Public Home Care Services. These institutions and services are highly dependent on state funding and their technology purchases are managed through Hjælpemiddel-basen that is a central database for supplying ALT products to the elderly. The Public sector could

only influence and assist the application process of each individual to acquire state funded ALT equipment. In order to penetrate this market segment and enter the database of Hjælpemiddelbasen, Sarita Caretech must certify and validate its products through CE certification processes and case studies to prove the viability of the product.

3.3.4 Late Majority and Laggards

Municipalities are indulged to conduct procurement tenders for ALT purchases over 500.000 DKK for their public care entities as LTC institutions and Hospitals. Therefore, they are considered to be the Late majority

due to the high requirements tenders usually desire. The tender law is in place (Danish Parliament 2016) to secure a clean and fair competition for companies with the desire to sale to the public.

3.4 Market size:

DENMARK

NURSING HOMES	44.000
	INHABITANTS
HOME CARE SERVICES	176.000
	SENIORS

EUROPE

NURSING HOMES	16 M
	INHABITANTS
HOME CARE SERVICES	43 M
	SENIORS

3.5 Market potential:

(SALES TURNOVER)

NURSING HOMES	52 M DKK
HOME CARE SERVICES	160 M DKK

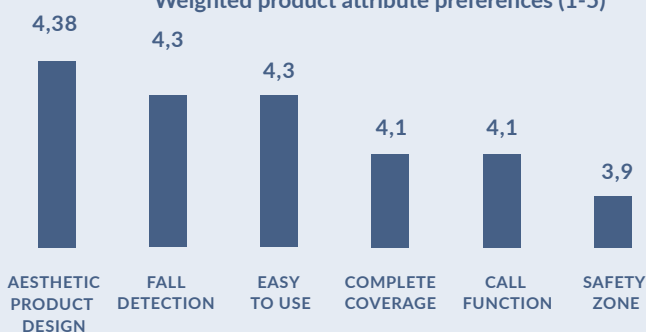| 8 B DKK GERMANY	212 M DKK DENMARK
6,4 B DKK BRITAIN	2,5 B DKK SCANDINAVIA

3.4 Customer needs of Innovators and Early adopters

Fourteen decision making units of Nursing homes and Home care services were interviewed during Q3 and Q4 of 2016. The pains were identfied as patient falls wanderings and poor technology within its user interactivity and user-friendliness, see appendix "B". The feature set of the Pearl was proven to be necessary, and the interviewees agreed that the use of PERS reduces expenses within care.

How severe are the following problems in your facility?

FALLS	4
CALL FOR ASSISTANCE	4
WANDERING	3.3

Weighted product attribute preferences (1-5)

AESTHETIC PRODUCT DESIGN	FALL DETECTION	EASY TO USE	COMPLETE COVERAGE	CALL FUNCTION	SAFETY ZONE
4,38	4,3	4,3	4,1	4,1	3,9

Is it vital for a carer to be notified immediately if a person in your care falls?

86% AGREE

The use of PERS* reduces expenses within care.

81% AGREE

*Personal Emergency Response System

3.5 Industry Characteristics

The assisted living technology industry accounts for all the solutions that assists the individuals with their daily activities, and provide help when it is needed. The industry includes Telecare, Telehealth, Smart Homes, Mobility/Orthopedic aids. Sarita CareTech is operating in the Telecare sub-industry called Personal Emergency Response Systems industry that is a relatively new phenomenon. Furthermore, it is categorized into 3 sub-sectors: Landline PERS, mobile PERS and Standalone PERS. Currently the market penetration is 7% of PERS technology in Denmark and a big proportion of it is low technology Landline PERS.

The supplier power is low in the industry of PERS due to the globalized electronics manufacturing industry and the drive of Moore's law, the manufacturing costs of electronics is continuously decreasing, that awakens a threat that product innovation in the industry is highly dependant on timing. The buyer power is relatively high due to the Municipal procurement and the centralized distribution. However the individual applications for ALT purchases can be a way of sales, it requires a high marketing budget. The competitive rivalry is high although there is a substantial amount of indirect competitors that can be outcompeted easily, eNest and VisionOne are the first of many competing multinational standalone PERS manufacturers that might enter the Danish market. Therefore flexibility of Sarita Caretech and adaptation to specific customer needs is a competitive advantage.

3.6 Competitor Analysis

| TUNSTALL	VISION ONE	ENEST	PEARL
More freedom and greater security for all parties	*Long battery life and affordability*	*Safety for all*	*Personal Tech for Personal Care*
2000-3000 DKK	*2000 DKK*	*2600 DKK*	*1990 DKK*
100-500 DKK	*229 DKK*	*349 DKK*	*199 DKK*
The prices exclude VAT.	The prices exclude VAT.	The prices exclude VAT.	The prices exclude VAT.

There are multiple competing fall detection production companies worldwide. Most companies focus on fall detectors as a byproduct to a lager system, which has a local wireless capability. Since Sarita is meant as a long range fall detector, the complete coverage is one of its unique selling points. The main competitors are Tunstall, StellaCare, Nestwork eNest and Vision One. None of them found to be more compact, aesthetic and easy to use than the Sarita Pearl. Therefore Sarita has multiple unique selling points that is a good base to build a strong position.

Landline PERS vs. Sarita Pearl
(Tunstall)

Sarita Pearl vs. eNest
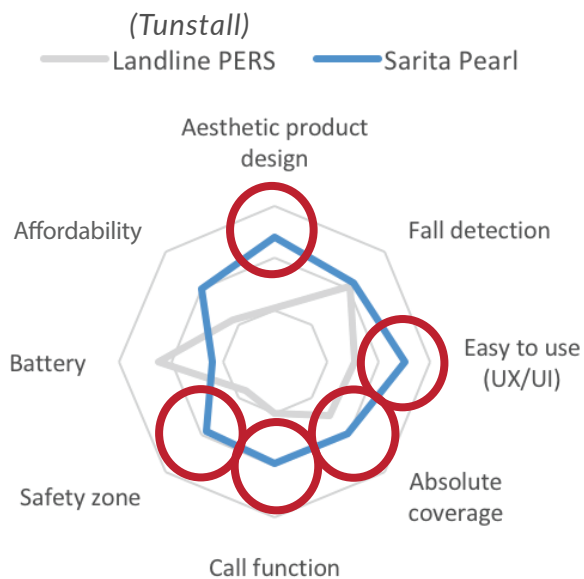
During an extensive market research in Q3-Q4 2016 the most commonly implemented Landline PERS solutions in Denmark fell significantly behind in the comparison with the Standalone PERS Sarita Pearl which provided a wide range of advantages over the current solutions in LTC institutions. The most significant ones were: Aesthetic product design, Safety zone, Easy to use UX/UI, Absolute coverage and Call function. Therefore Sarita Pearl has multiple advantages over the currently implemented Landline PERS.
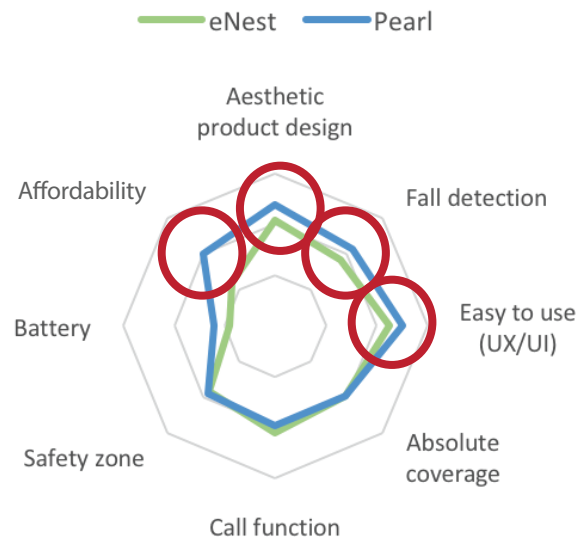
Compared to eNest the unique selling points are the Aesthetic product design (customizability), easy to use interface for the end-users, the machine learning fall detection and the high automation with an easy to use monitoring platform specifically satisfying the caregivers needs. eNest is an international company targetting wider audiences than Sarita, such as kids and their parents, therefore Sarita offers a more suitable solution to the long-term care segment.

4.0 Service and Product Line

SARITA *Pearl*

Sarita Pearl is a call-system, inspired by the 1930's popular wearable, where modern technology meets timeless fashion. Sarita Pearl embodies a direct link between Caregivers and Seniors, supporting an independent and secure lifestyle.

size: 60x45x15mm

AUTOMATIC FALL DETECTION

MANUAL CALL BUTTON

LIGHTHOUSE PLATFORM

GPS AND SAFETY ZONE

TWO-WAY COMMUNICATION

COMPLETE COVERAGE

MANUAL CALL BUTTON

A variety of different situations can arise, well a person may be in need of assistance. With the manual call button, the user is able to request help any time.

GPS FUNCTION

If permission has been granted, at any given moment caregivers are able to login to LightHouse and locate the device.

AUTOMATIC FALL DETECTION

People are not always able to manually call for help when they fall. Should the user fall, then the device will detect the fall with 80-90% accuracy through the advanced machine learning algorithm and next generation motion sensors and contact the caregivers.

COMPLETE COVERAGE

The All-in-One solution grants the users to leave their homes and feel safe on the go. Thereby the users are not bound to their homes, and the caregivers and the residents can have peace of mind and personal independence.

SAFETY ZONE

Using the GPS of the device, it is possible to easily define safety zones. In case a user crosses the bounds of a safety zone, the device will notify the staff. This function is especially targeted towards residents suffering from Alzheimers or Dementia, whom have a tendency to wander off.

CONTROL PANEL "LIGHTHOUSE"

Sarita LightHouse is a cloud-based control panel, wherein users and caretakers can configure the devices, track users, create new safety zones, see the battery status and more. Lighthouse has a friendly user interface and works on any web browser and device.

SARITA LIGHTHOUSE

Sarita Lighthouse is a cloud based monitoring platform behind Sarita Pearl where the caregivers and healthcare professionals can check on the user status and whereabouts from any location. With added flexibility, they can also create departments and organize the residents and caretakers in different groups. It is also possible to set up a safety zone, which will alert the healthcare personnel if the user moves outside the chosen area. This is an effective way of providing residents independence and piece of mind at the same time. The healthcare staff can access the Lighthouse to manage prioritised list of contact persons, set up new safety zones, and check on the Sarita's battery level, at any time.

WEARER NAME

DEVICE ID

ROOM NUMBER

DEPARTMENT

WHICH ALARM SHOULD BE ENABLED?

PANIC BUTTON
Manual button for immediate contact in any emergency situation
DISABLED

AUTO-FALL DETECTION
Automatically detects falls and contacts the guardians
ENABLED

GEO FENCE
Built-in GPS and the possibility to create a personal safety zone
DISABLED

GEO FENCE AREA

Select a standard geofence or set up a new unique one to let your residents experience an independent and safe life.

RED STEW LOVERS TRIPPING AREA

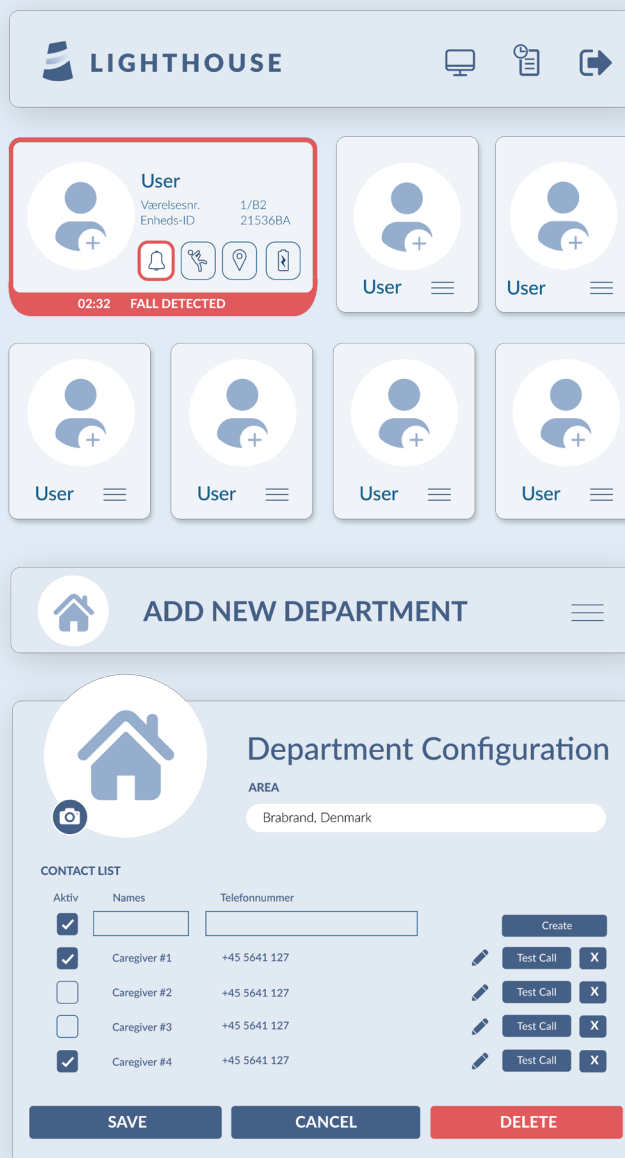MANGO COLLECTOR ROUTE

GRANNIES PARASHOOTING CLUB

+ ADD NEW

Reset   Save   Add to standards

WHEN ARE CONTACT PERSONS ALLOWED TO LOCATE USERS?

IN CASE OF ALARMS   ALWAYS

SAVE   CANCEL   DELETE

LIGHTHOUSE

User
Værelsesnr.   1/B2
Enheds-ID   21536BA
02:32   FALL DETECTED

User   User
User   User   User   User

ADD NEW DEPARTMENT

Department Configuration

AREA
Brabrand, Denmark

CONTACT LIST

Aktiv	Names	Telefonnummer			
☑				Create	
☑	Caregiver #1	+45 5641 127	✏	Test Call	X
☐	Caregiver #2	+45 5641 127	✏	Test Call	X
☐	Caregiver #3	+45 5641 127	✏	Test Call	X
☑	Caregiver #4	+45 5641 127	✏	Test Call	X

SAVE   CANCEL   DELETE

Alarm process

In case of a person falls or calls for an assistance, Lighthouse contacts the caregivers by dialing the list of phones added in the department configuraton panel. The call gets forwarded every 20 seconds until it is answered by one of the caregivers. The intercom system and the LED lights
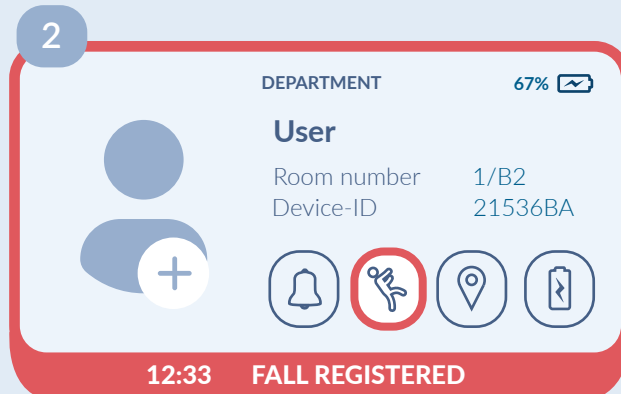
assure interactvity, therefore the users can receive an immediate response and remain calm until the help arrives. At the same time, the administrator and the caregivers can keep track of the occurrences in the dashboard of Lighthouse, making sure that all the events get assisted instantly.

1

In case the call button is pushed, or a fall has been detected, the Sarita Pearl will light up red in order to notify the user that caretakers are being notified.

2

DEPARTMENT   67%

User

| Room number | 1/B2 |
| Device-ID | 21536BA |

12:33   FALL REGISTERED

3

20 sek   20 sek

Lighthouse will show who has activated the alarm, and will automatically begin calling the numbers configured in the system. If a call is not picked up within 20 seconds, LightHouse will keep forwarding the call until it gets answered.
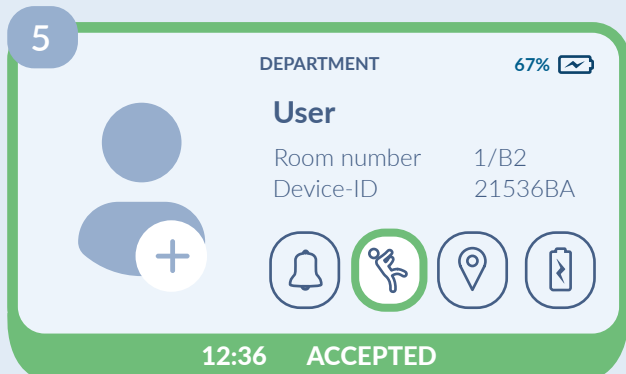
4

📞 Answer cal

The request will be received as a telephone call, and the following options are presented:

1 Press 1 to notify that help is under way.

2 Press 2 to activate the intercom system and get in direct contact with the user.

Hang up to forward the alarm.

Access Lighthouse for GPS location.

5

DEPARTMENT   67%

User

| Room number | 1/B2 |
| Device-ID | 21536BA |

12:36   ACCEPTED

6

Sarita Pearl will commence glowing in a bright green color for 60 seconds to notify the user that help is under way.

5.0 Marketing and Sales Plan

5.1 Target Market

Assisted living technology has a turnover of 29 million EUR per year in Denmark.
The global long-term care market size was valued at 630 EUR billion in 2015
and is projected to grow at around 5% (CAGR) in the next ten years.

PRIMARY MARKET:

INTERNATIONAL DIRECTIONS:

DENMARK

NURSING HOMES: **44.000** SENIORS

GERMANY, SWEDEN

B2B DISTRIBUTORS B2G MUNICIPALITIES

HOME CARE SERVICES: **176.000** SENIORS

SECONDARY MARKET:

3% OF PEOPLE OVER 65 IN EUROPE: **2.550.000** SENIORS

SENIORS AGED 65 AND ABOVE AND FIND THE FOLLOWING TRUE:

Have recently fallen or fear falling
Have been hospitalized or treated in ER in the past year. Spend majority of their time in solitude

PEOPLE WHO SUFFER FROM ELDERLY DISEASES SUCH AS:

Osteoporosis, Heart disease, Dementia, Stroke, Arthritis, COPD, Diabetes, Alzheimer

<25   25   25-30%
OLD-AGE-DEPENDENCY RATIOS

FAMILIES AND RELATIVES

CHILDREN AND CAREGIVERS OF THE SENIORS

Sarita is focusing on the B2B welfare industry in the technological segment. The current target market consists of private nursing homes and homecare services. It is presumed that the insitutions have the budget to spend and the interest in modernizing their approach to healthcare. From prelimenary meetings with several institutions (Tranbjerg, Himmerland, Cathrine Urne) a significant interest has been displayed in the product. This cohers with the trend of modernization of the technological welfare segment in Denmark.

The highest interest and buying power was allocated in the private institutional sector, therefore the market entry is aiming to develop close relationships with private nursing homes and home care services. The collaboration comes with many benefits in accordance to receive continuous feedback on the product for research and development purposes and develop case studies and content marketing materials to support the company's positions in negotiations with the public care sector, municipalities and distributors.
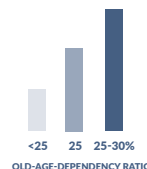
In order to alleviate purchasing risks for our customers, an inbound marketing effort will be put in the main focus to inform and navigate the customers through the buying process, sourcing leads for sales. The main communication will be done through BTL and online channels, due to the low customer acquisition costs.

The customer retention and after-sale activities will be funnelled trough the company's online platform Sarita Lighthouse where the customers can receive targeted and personalized offers and updates supported by a customer relationship management system. All together contributing to a cost-effective, specifically targeted and measurable marketing strategy.

5.2 Unique Selling Propositions

Constant connectivity and mobility

Opposed to the competing solutions, which are dependant on the local network, the GSM functionality provides the end user with the freedom to move outside the users home or care facility.

Machine learning fall-detection

The functionality eliminates any need for input from the end user. This means that when an emergency situation arises, the end user is guaranteed that their caretakers are notified - especially if the user is unable to notify them themselves.

User friendly and appealing interface

An easy accessible configuration- and monitoring panel which lives up to the modern standards of UI/UX. Lighthouse is significantly ahead of current solutions on the market by living up to the standards of platform interactivity which smartphones have popularized.

Adaptability and co-creation

The flat structure of the organization and in-house developtment and production enables the company to adapt to the market and the clients quickly. Once the product is in the field, software updates can be issued over the air through the network.

IPR within the firmware

The software algorithms within the Sarita Pearl are uniquely developed for the product. The software is based on machine learning, which is considered to be one of the newest and most advanced technologies within the software field.

Design in focus

Although aestetics are a subjective term, the design of the Sarita is considered as a USP. Having done extensive reserach on product aesthetics and hired jewellrycrafters to work on the Sarita, justifies the look and feel of the Sarita to be a USP. Compared to the competition it is evident that the Sarita Pearl stands out. Beyond the physical attributes of the product, the aesthetics are also grounded in Dementia related research which indicated that speaking to the emotional part of the brain, people suffering from Dementia will be more likely to accept and keep the product on their person.

5.3 Positioning statement

"Personal Tech for Personal Care"

Sarita Pearl, a direct link between caregivers and seniors. Fall detection, GPS, call button and 2-way communication integrated into a personalised brooch. Created with caregivers to improve service quality while liberating seniors to enjoy an independent and secure life.

Sarita Pearl er det direkte link mellem plejepersonale og senioren. Fald notifikation, GPS, kald knap og tovejskommunikation er alt integreret i en personaliseret broche. Denne er udviklet i samarbejde med professionelt plejepersonale.

5.4 Offering to customers

Sarita Caretech is offering a compact product with a service behind. The first batches are being co-created, allowing the customers to customize the products to fit their needs. (The prices do not include VAT)

SARITA PEARL INDIVIDUAL

1 Sarita Pearl
Lighthouse platform
Online customer service

Device price: 2990
Subscription: 299

SARITA CO-CREATION PACK

8 units of Sarita Pearl
Lighthouse platform
6 month co-creation collaboration
Free data and calls
Tech support

Upstart cost: 9990
Subscription: 2990/month

Custom casings: 699/unit
Extra training: 990/day
24/7 customer service: 2990 /month

SARITA EARLY BIRD PACK

5-20 units of Sarita Pearl
Lighthouse platform
1 day setup and training
Tech support

Device price: 1990 x units
Subscription: 199 / unit /month

Custom casings: 699/unit
Extra training: 990/day
24/7 customer service: 2990 /month

SARITA GOLD PACK

20+ units of Sarita Pearl
Lighthouse platform
2 days setup and training
Tech support

Device price: 1690 / unit
Subscription: 169 / unit / month

Custom casings: 499/unit
Extra training: 990/day
24/7 customer service: 2990 /month

5.5 Pricing strategy

Sarita is using a servitization business model. Aiming to offer a leasing option for the device and charge a monthly subscription for the use of Lighthouse. Although the market entry requires to charge a fee for the first device batches to cover the cost of goods sold. (The prices are excluding VAT)

DEVICE PRICE: **1990 DKK**

SUBSCRIPTION: **199 DKK/MONTH**

LEASING: **329 DKK/MONTH**

CO-CREATION: **6000 DKK/MONTH**

5.6 Go to Market strategy
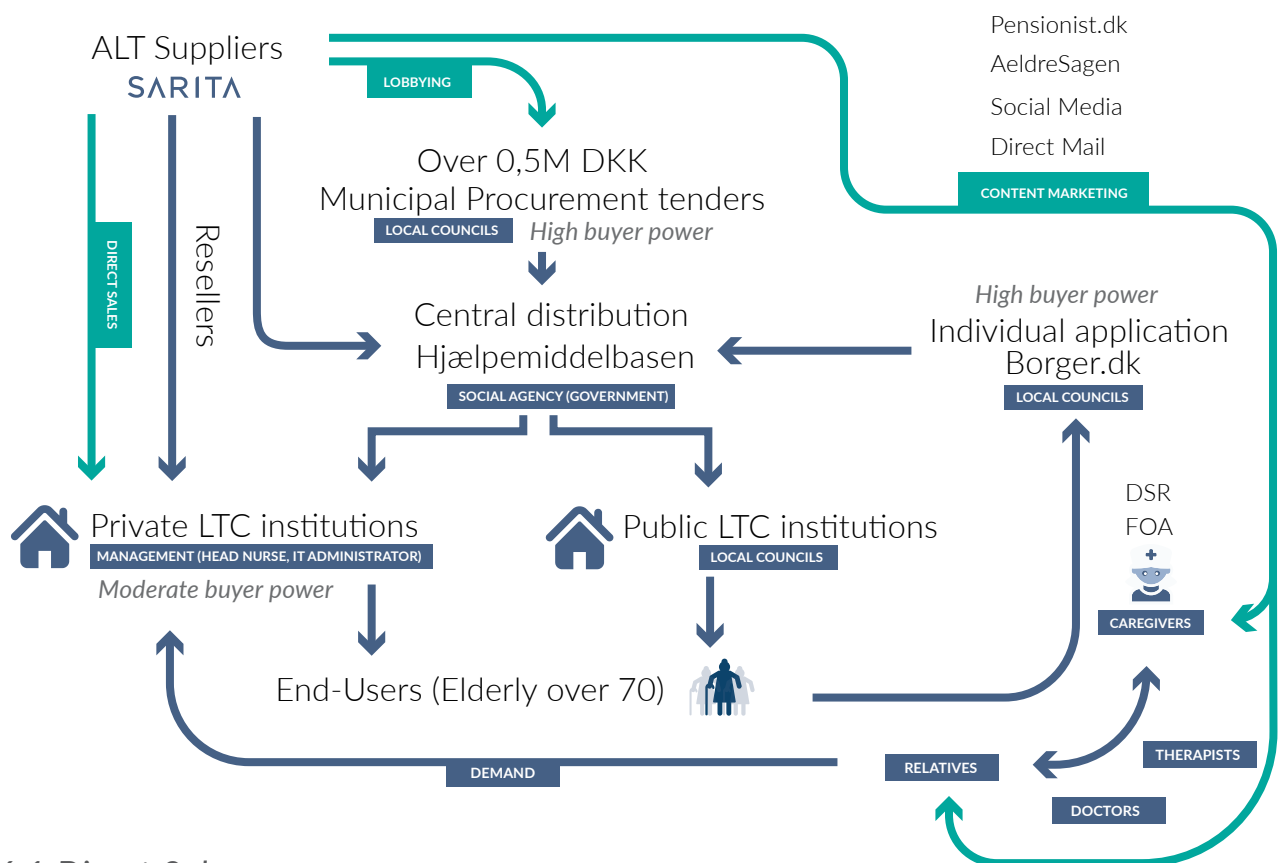
5.6.1 Direct Sales

In order to establish close collaboration with the Innovators and Early adopters within the target market, Sarita Caretech implements direct sales as the main approach to go to market and acquire a product market fit. The current sales cycle is estimated at two weeks, and It is presumed that once the Sarita Pearl gains traction, and the network within the industry expands, the sales cycle can be reduced to one week. The reasoning is as follows: Working cases with documented results will ease the decision making process for the client. Personal references adds to the goodwill of the Sarita brand. The industry is close-knitted and word of mouth spreads quickly.

5.6.1 Lobbying

Municipalities are obliged to to conduct procurement tenders for assisted living technology purchases over 500.000 DKK for their public care entities. In order to get Sarita Pearl specified in the before mentioned tenders, Sarita Caretech aims to lobby towards the decision making units of welfare technology procurement departments.

5.6.1 Content Marketing

The awareness of advanced welfare technology is low in the segment therefore a content marketing effort will be put in the main focus to alleviate purchasing risks and raise awareness by informing the customers and influencers about the benefits of implementing Sarita's system. The close collaborations acquired through direct sales will provide

Sarita Caretech case study materials that will be funnelled through Sarita.dk, specific newspapers (Aeldre Sagen, Pensionist.dk) and direct mails targeting the relatives of the elderly, the caregivers (DSR, FOA) and healthcare professionals (Doctors and Therapists) that are the main decision makers and influencers in the purchasing processes.

5.7 Service strategy

Sarita Pearl comes with the cloud based monitoring platform Lighthouse, that provides a perfect channel for customer retention, customer service and after sale activities. Based on the data collected through Lighthouse in each customer's case, specific offerings can be put through to address the individual needs of long term care institutions.

Sarita Caretech also provides a personal tech-support if any system failure occurs, therefore the customers can always have multiple ways to address the technical staff. Once the product-market validation is done, the processes will get automated and outsourced to distributors and resellers, supporting further growth.

"Den løsning som I har opfundet, oplever vi som stor nytænkning indenfor området. Vi har ikke med vores nuværende samarbejdspartner, at kunne få opfyldt nært det samme samarbejde og imødekommenhed."

Susanne Molbæk
Forstander på Klejtrup
Friplejehjem, Kløverbakken.

5.9 Strategic Partnerships

There is a variety of strategic partnerships that Sarita can pursue. Ideally the partnership will provide a mutually beneficial relationship between the companies. In this type of relationship Sarita can provide technical knowledge, co-creation opportunities and OEM products.

The other party, depending of the type of company, could close certain gaps that Sarita is facing in its go-to-market phase. Resellers have existing customer relationships and established distribution channels, stock facilities and shipping deals. Production companies may help with sourcing components and include us in preexisting supplier agreements. Competitors have in-depth knowledge and experience in the specific market segment, and may be interested in ad-hoc synergy. Sales agents can ensure a quick market grab in markets outside of Denmark.

When the test phase reaches its maturity stage, strategic partnerships will be researched and relevant parties will be contacted in order to explore potential opportunities such as external sensor manufacturers (e.g. Hearing aids).

6.0 Growth strategy

PRE-SERIES INVESTMENT
20% FOR 2.000.000DKK
▼

Here
we are
▼

PRIVATE
NURSING HOMES

PRIVATE HOME
CARE SERVICES

PRIVATE: DISTRIBUTORS

PUBLIC: MUNICIPALITIES

STRATEGIC
PARTNERSHIPS

PRIVATE
NURSING HOMES

Idea
concieved

Proof of Concept	Proof of Technology	Proof of Sales

Q1 Q2 Q3 Q4 Q1 Q2

2014   **2015**   **2016**   **2017**   **2018**
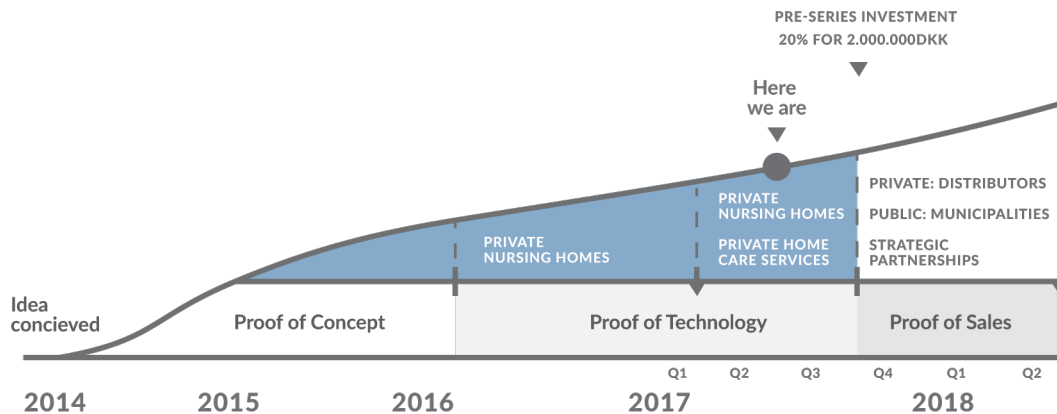
The long term strategy aims to penetrate nursing homes and home care services
with the involvement of distributors through public procurement tenders.
While the pre-series investment accelerates the co-creation, development and

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SERIES C INVESTMENT
5% FOR 200.000.000DKK
▼

SERIES B INVESTMENT
10% FOR 20.000.000DKK
▼

SERIES A INVESTMENT
10% FOR 5.000.000DKK
▼

DISRUPTION OF
EUROPEAN HOMECARE
INDUSTRY

PRE-SCREENING G.A.N.

GUARDIAN ANGEL
NETWORK
B2C: EUROPE

GUARDIAN ANGEL
NETWORK (EXO)
B2C: 1 COUNTRY

INTERNATIONAL
MARKETS B2B: GLOBAL

LIGHTHOUSE 2.0
DATA ANALYTICS

INTERNATIONAL
MARKETS B2B: EUROPE

BIG DATA

DISTRIBUTORS
INTERNATIONAL
MARKETS: DE, NO

INTERNATIONAL
MARKETS B2B: UK, DE, SE, NO

BIG DATA G.A.N.

MASS PRODUCTION
PEARL V4 + SENSORS
SMART BODY
AUTOMATION

MASS PRODUCTION
PEARL V1 + SENSORS

MASS PRODUCTION
PEARL V2 + SENSORS
SMART BODY AUTOMATION

MASS PRODUCTION
PEARL V3 + SENSORS
SMART BODY
AUTOMATION

SENSOR COMPANY
ACQUISITIONS

PEARL V2 R&D

GUARDIAN ANGEL NETWORK
HOMECARE EXPANSION

G.A.N. INNOBOOSTER

BIG DATA PEARL

Proof of Scale	Scaling (Europe)	EXO	IPO

Q3 Q4

2019   **2020**   **2021**   **2022**

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testing, the series A round will provide sufficient funds for mass production
in Q3/2018. Our long term goal is to disrupt the institutionalised care
model by a highly accessible digital bridge over the seniors and caregivers.

7.0 Financial Projections

7.1 Projected Yearly Income statement

	2016	2017	2018	2019	2020	2021
Net Operating Income	10 000	77 904	1 967 016	13 205 124	23 505 121	41 839 115
Net COGS	3 780	54 000	920 600	3 992 800	7 107 184	12 650 788
Gross Profit	6 220	23 904	1 046 416	9 212 324	16 397 937	29 188 327
Sales, Marketing & General expenses	45 960	54 271	202 682	120 221	213 993	380 908
Administration Expenses	130 851	541 709	2 022 665	3 215 581	5 723 734	10 188 247
Research & Development	57 811	75 801	170 000	180 000	320 400	570 312
Total Expenses	234 622	671 780	2 395 347	3 515 802	6 258 127	11 139 467
EBTDA	**-DKK 228 402**	**-DKK 647 876**	**-DKK 1 348 931**	**DKK 5 696 522**	**10 139 809**	**18 048 861**

Sarita CareTech surpassed the crucial stage of establishing a start-up form ideation process without any loss of its equity. Therefore, the acceleration has not been reached up to its highest potential, however the equity is fully held by management. Sarita CareTech raised approximately 1 mil. DKK in funding until July 2017 which secured the financial position of the company up to December 2017.

At the current stage Sarita CareTech has 209.000 DKK negative equity which is a transferred result from the development period of the fiscal year (Q4 2015 to Q1 2017) supported by a Bank overdraft account bound to the founders personally. The company is seeking for a Pre-Series investment in order to accelerate its development lockdown, scale 3D manufacturing and enter the Danish market.

7.2 Exit strategy

The goal for Sarita CareTech is to steadily establish itself by continuous growth to secure sufficient market share in order to grow and extend to the other fragments of electronics industry. While being a startup which has been already recognized by number of high profile institutions we look for double digit growth ratio. Sarita builds on a mixture of young enthusiasm and advisory expertise from well experienced board and partners, however we build

the company from the scratch our product is not experimental and therefore the risk of failure is limited. Consequently, three exit strategies are considered to be the right output: - Merger or Acquisition with well-established player in the industry in the horizon of 5-7 years. The alternatives are an - IPO (if it turns out to be a possibility we are looking for longer term) - management buyout.

Appendix

"A" Advisors, Mentors & Partners

There is a wide range of mentors and advisors to the project as well to minimize the risks and receive continuous professional feedback. The list of partners, advisors and mentors are listed below.

PARTNERS

NORDIC X-RAY TECHNOLOGIES

VÆKSTHUS MIDTJYLLAND

HIMMERLANDS HJEMMEPLEJE

AARHUS FRIPLEJEHJEM

KLEJTRUP FRIPLEJEHJEM

DANISH TECH CHALLENGE

STUDENTERVÆKSTHUSET AARHUS

IVÆRKSÆTTERPILOT

COPENHAGEN SCHOOL OF DESIGN AND TECHNOLOGY

ETK EMS

Troels Gade
B2B BUSINESS DEVELOPMENT DIRECTOR
GRUNDFOSS

Gitte Buje
TEACHER OF INNOVATION AND ENTREPRENEURSHIP
BAAA

Dorthe M. Hermann
CONSULTANT, PHISIOTHERAPHY SUNDHED OG OMSORGSLINIEN
AARHUS KOMMUNE

Elsebeth Finnick
GENERAL MANAGEMENT, MEDICAL DEVICES
DANISH TECH CHALLENGE

Martin Jørgensen
INNOVATION DIRECTOR
XTEL

Dorte Krogh
SPEAKER, MOTIVATOR, AND EXPLORER OF CORPORATE VALUES
DORTEKROGH

Martin Schumann
BUSINESS DEVELOPMENT MANAGER
MJØLNER INFORMATICS A/S

Finn Fabricius
OWNER, MANAGEMENT CONSULTING
LISTENWHY ENGINEERING

"B" Value Proposition canvas for Private nursing homes