

Statement of Support for AD RescueWear

Dear InnovateHER team,

The attached application is provided by the Entrepreneurial Development Center, Inc. (EDC) on behalf of AD RescueWear of Davenport, IA, as a request for consideration from the SBA InnovateHER team.

AD RescueWear won EDC's October 21st local InnovateHER competition held in Coralville, IA as part of Innovation EXPO 2015. Prior to the event, EDC selected a review committee consisting of representatives from the City of Cedar Rapids' economic development department, the University of Iowa entrepreneurial center and a local Small Business Development Center director. The selection committee chose five companies from a pool of 14 applicants.

At the pitching event on October, 21st, a judging panel that consisted of a female entrepreneur (founder of a local national tech firm), president of the Iowa City Area Development Group and a retired SBDC director determined that AD RescueWear best met the SBA InnovateHER criteria of:

- A product or service that has a measurable impact on the lives of women and families
- Has the potential for commercialization
- Fills a need in the marketplace

AD RescueWear is an early-stage consumer goods company, which manufactures and sells wet wrap therapy garments for the treatment of childhood eczema. It is the first U.S. company to offer a unique garment design, combined with TENCEL® fabric to make wet wrap therapy easy, effective, and comfortable for the child. It is the next generation of wet wrap therapy and eczema management.

AD RescueWear Founder, Beth Scott, and Co-Owner, Anne McVey, are both mothers of children who suffer from severe eczema. As a result, they experienced firsthand the emotional and physical toll the entire family suffers when a child has moderate to severe eczema. It is estimated that 20% of children in the U.S. suffer from eczema.

Eczema is a miserable disease: Severe itching and pain results in sleep deprivation for both child and parents. This in turn, affects performance at school, family relationships, parents' work performance, and decreases coping skills at work and at home for families.

Wet wrap therapy is the standard treatment protocol for children with moderate to severe eczema because it can reduce eczema symptoms by 70% and decrease the need for drugs (with side effects) by 40%. However, traditional wet-wrap therapy is time consuming and requires wrapping the child head to toe in wet and dry gauze. This typically takes as much as 2-3 hours per day of care. In addition, traditional wet wrap therapy products are difficult and painful to put on and can be scratched off and under by the child. AD RescueWear's wet wrap garments can be applied in under 2 minutes, and have proven superior for eczema treatment. The unique design and material ensure the garment stays on completely and protects the child's skin from scratching, while providing a more soothing effect on the skin. AD RescueWear has patents pending on all of the company's designs.

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As an early-stage company, AD RescueWear is already selling product to the market, through their own website and also through a secondary channel of medical supply stores. Many new customers have learned of AD RescueWear through their physicians. AD RescueWear's annual revenue has grown from \$50,000 in 2013 to \$165,000 in 2015. 2015 gross margin is 65%.

The market for eczema treatment is large and presents significant distress for children and their families. The problems families face on a daily basis can be significantly improved with AD RescueWear's patent-pending garments. The leadership team has successfully launched the business and despite minimal marketing expenditures to date, have achieved market validation that parents and physicians value their next generation designs. While the owners have fully self-financed the operations to date, the company is now ready to solicit outside investment to fuel the next stage of growth which will involve four main components:

- Dr. Frank Lichtenberger, M.D., and Ph.D., an allergist with 9 years' experience as a doctor treating eczema, is joining the team. He will greatly increase awareness of the product in the medical community.
- An increased investment in marketing and sales, with focus on dedicated e-commerce marketing and support to the physician community of influencers.
- A proportion of manufacturing will be moved to a new supplier. This will cut cost of goods by as much as 50%.
- The product line will be expanded to include larger child and adult sizes that are being demanded by customers.

AD RescueWear is a member of the EDC and will be engaging in mentoring and quarterly success tracking. EDC has worked with AD RescueWear since April, 2014. All members of the EDC team have engaged to support all aspects of AD RescueWear's business. We at EDC respectfully request that you select AD RescueWear to present at the regional InnovateHER competition

Neither EDC nor any of its employees have invested in AD RescueWear to date or have plans to do so in the near future.

Please contact me if you have any questions.

Sincerely,



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EDC

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