Blueberry Pediatrics

Blueberry puts a pediatric clinic in every family's living room by combining at-home diagnostic kits, world-class pediatricians, and an intuitive app. With Blueberry, every family has immediate 24/7 access to **actual** Pediatric care for 60 cents a day.

Highlights

- Diagnoses and treats twice as many pediatric illnesses compared to standard telemedicine
- 10x utilization rate compared to telemedicine peers
- 20% CMGR on Revenue for last 6 months, with growth accelerating (August was 40% MoM Revenue Growth)
- 15,000 Children on platform (as of Sept 1st)

Introduction

Overview

Standard Telemedicine today is a waste of technology's potential. Today, most telemedicine services are just replicating the in-person care experience with video. The result is a lackluster experience with only minor convenience benefits. It doesn't make care more affordable (telemedicine providers are lobbying the government for "payment parity" with in-person services) nor does it make medical care itself easier.

In Person Care	Standard Telemedicine
• Setting up an appointment 1-2 days or 1-2 weeks later (if lucky) • Sitting in a waiting room for an hour • Seeing a doctor for 5 minutes • Getting a bill because you didn't hit your deductible for $150 • No followup	• Set up an appointment, sometimes wait hours if on-demand • Sit in a virtual waiting room • See a doctor for 5 minutes • Get a bill for $150 because you didn't hit your deductible. • No followup

Why do these two things look so alike?

The experience is even worse for kids. Standard telemedicine has so many exceptions to what they can care for when you aren't an adult, it's often not worth trying:

- ***Possible Strep throat?*** Existing telemedicine can't diagnose - have to take them to ER / urgent care.
- ***UTI?*** Existing telemedicine can't diagnose - have to take them to ER / urgent care.
- ***Ear infection?*** Telemedicine doctors can't examine the ears, have to take them to ER / urgent care.

- ***RSV or Croup? Cough sound suspicious?*** No way to check how bad it is, or follow up throughout the night - have to take them to ER / urgent care.

The result? Even with adoption of telehealth, ERs are inundated with non-emergency pediatric cases. These cases drive up costs for the hospital, insurers, employers, and families.

In 2022, we project there will be *at least* 22 million unnecessary pediatric ER visits, resulting in $20 Billion in wasted medical spend. The most common reason parents use the ER is because it's the only reliable way to get treatment for most common childhood illnesses when their pediatrician isn't available, and given the current state of telemedicine, they are right.

This is where Blueberry comes in.

Blueberry combines a suite of at-home diagnostic tools, intuitive technology, and world-class Pediatricians so that every family can have a full pediatric clinic at home and a concierge-like medical care experience (want to talk to a doctor? Just text us). No more appointments, copays, or gate-keeping through nurses/assistants. The best part? It costs less to families and the healthcare system than even standard telemedicine.

Strategy

Blueberry's goal: A Pediatric clinic in every family's home, so high quality and affordable care is always available.

Part 1: If you can achieve healthcare's "Triple Aim" - High Quality Care, Affordable Care, Always Available Care - You'll be able to build a massive healthcare business.

The "Triple Aim" is healthcare's unicorn. While existing health systems pay lip service to it, the truth is that it takes a lot of work to achieve (work that Blueberry has done over 2 years refining our experience).

Achieving a Triple Aim within a population makes partnering with health systems, insurers, and employers an easy proposition - doing so saves them money, makes their populations healthier, and reduces load on emergency services which are often loss leaders.

Once partnered, it's really difficult to be unseated, especially if you deliver as intended. Companies that achieve the Triple Aim for a population are able to maintain their position and contracts by leveraging the massive amount of data and R&D that is coming in to improve their services, and out-quality or out-price competitors.

Part 2: Being the "first call" is the most critical component of achieving the Triple Aim

Where telemedicine has failed to enable the Triple Aim is in its ability to be the "first call", especially with children. As the "first call", you get the ability to handle medical issues affordably and triage anything you can't to appropriate settings (and even build referral networks to drive down costs further). You also get "first look" at the data and the case - enabling you to understand what needs to be built (or partnered with) next better than anyone else. You become the hub for that family's care.

Part 3: In order to be the "first call", you need to build an entire system of care, not just a piece of it.

Being the "first call" is extremely difficult (Blueberry however, has found ways to measure and show we've done it - see utilization data below) - it requires finding the appropriate business models such that families aren't getting hit financially each time they interact with you and it requires being able to handle the grand majority of cases without being triaged away.

Ensuring such a high level of effectiveness in healthcare requires owning the entire system:

- If you own the devices, you have no control over the care experience.
- If you only own the care experience, you're beholden to the limitations of standard video or are pushed into expensive devices ($300+)

- If you don't own a direct pathway to a patient, you risk being intermediated.

Only when you have control of the entire system can you improve it, there is no "silver bullet" that makes healthcare better. What this means is it's easy to start a medical care service, but it's extremely difficult to start an **effective** medical care service.

Product Overview

Blueberry is a combination of technology, experience, and medical expertise

- At-home diagnostic devices that collect vitals, perform exams, and run tests
- An extremely easy-to-use and simple app experience that connects families to Pediatricians in minutes
- A team of world-class Board-Certified Pediatric specialists, optimized via technology.

This may seem complicated, but in order to be the "first call" it's imperative to own the entire experience. By owning the entire flow, we can provide an exceptional experience every time.

What a typical Blueberry experience looks like:

- Parent comes home from work, and their child is complaining of ear pain.
- It's already 7pm, their Pediatrician is closed.
- Parent texts Blueberry asking about whether or not their child needs to be treated.
- Blueberry's app recommends the parent take out the kit and provide vitals and a recorded exam: temperature and an eardrum exam using the ear scope.
- Within minutes of submitting the exam, a Blueberry Pediatrician responds with an ear infection diagnosis, and sends a script.
- The parent picks up the antibiotics from their local pharmacy. It's only 7:30pm.

- The best part? The parent didn't pay any copays or visit fees, saving $150-$300 in urgent care copays.

At-Home Diagnostic Devices

Blueberry currently sends each member family a simple set of diagnostic devices, including an otoscope, a pulse oximeter, and a thermometer. Between those three devices, Blueberry can do Ear/Nose/Throat exams and collect the primary vitals needed to diagnose 80% of pediatric illnesses.

On top of that, we have "add-on" programs for home strep tests, a fairly common occurrence during school seasons, and UTIs.

We're also in the process of securing at-home flu and COVID-19 tests.

Finally, we've been developing in-house designs for digital stethoscopes in order to round out our vitals and exams.

Our diagnostic devices set us apart from the majority of telemedicine offerings - by providing them to every family, we've ensured a high success rate in diagnosis and treatment.

50% of cases handled by Blueberry require an at-home diagnostic device in order to safely diagnose and treat the case. This number provides a good indication of how much better we perform compared to our peers without these devices.

User Experience and App

Blueberry's app is focused on ease-of-use and providing a concierge-like experience to families. Parents just log in and can immediately start chatting with a Pediatrician with no hoops or gake-keepers to get in the way. Appointments aren't needed, and the app is fully aware of past medical history, so you always start where you left off (no need to answer the same 20 questions over and over again). It's just like having a Pediatrician in the family.

Pediatrician Quality and Efficiency

On the provider side, we've built EHR technology that dramatically reduces the time needed to handle cases, allowing us to scale our pediatricians and achieve much higher volumes with fewer providers. This allows Blueberry to have a much higher bar with respect to provider quality, including only hiring MDs or DOs with Pediatric specializations and a proper "text-side manner".

Competition

Telemedicine only providers

Standard competitors in this space would be Dr. on Demand, Teladoc, and MDLive. They suffer from a lack of focus on Pediatrics and lack of diagnostics. Blueberry is able to handle double the number of diagnoses compared to these players due to the inclusion of our at-home diagnostics kit. Our technology also allows our doctors to operate at a much higher volume, allowing us to outcompete them on price as well as quality.

Device providers

The only pediatric device provider with scale is Tytocare. While their device is impressive, it's extremely expensive at $300. This doesn't include any of the medical care, which can bring a visit cost of $60, $100, or more depending on the patient's copay and deductibles.

Compare this with Blueberry, where $144 dollars gets you a diagnostics kit that's comparable to TytoCare but also includes an entire year of unlimited Pediatric care and visits.

In-person Alternatives - ERs / Urgent Cares

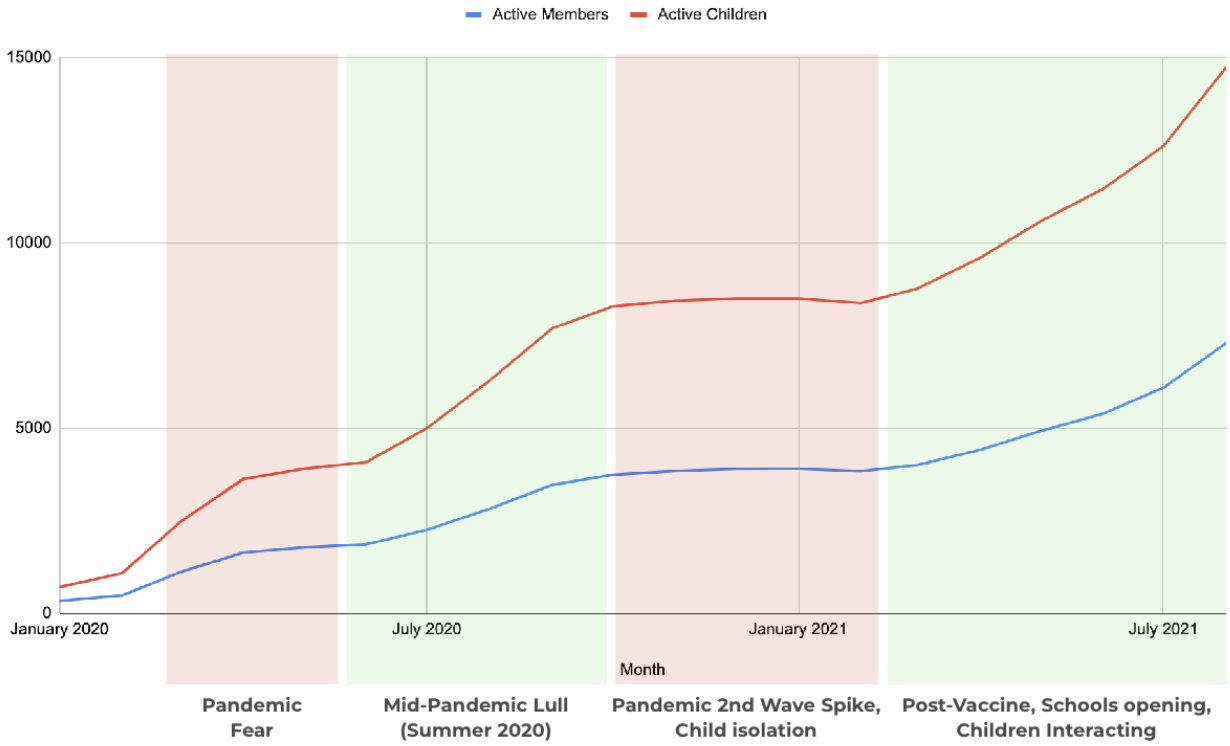
The largest competitor in terms of volume is still ERs and Urgent Cares. While the care quality here is comparable, the cost is substantially higher. A single ER visit costs $950 on average, and urgent cares can run between $100 and $300.

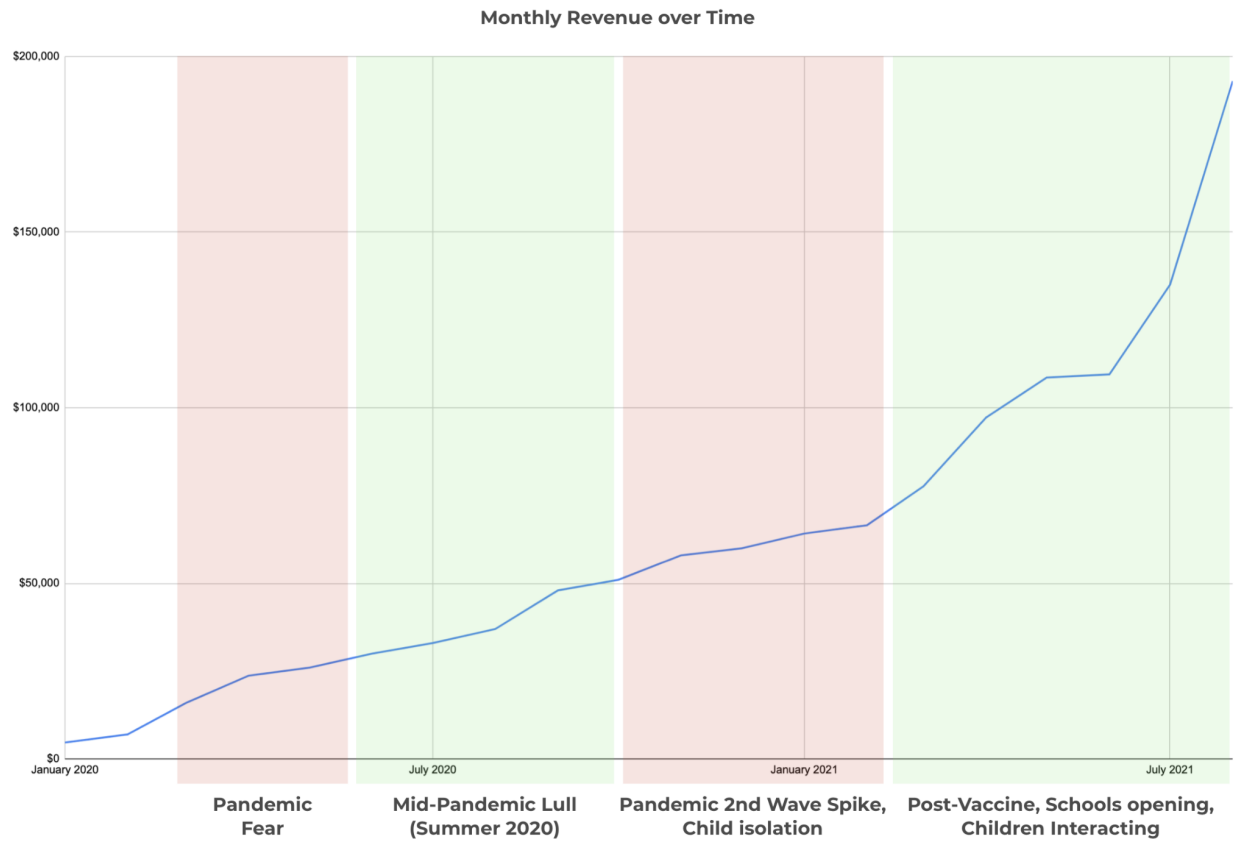
Performance to Date

The pandemic posed a headwind to pediatric services in general due to dramatically lower illness rates in children, however after 18 months of lockdown, children are interacting again and school is reopening en masse - immune systems are extremely weak and the result is a massive spike in illness under 18 years of age.

While growth slowed during COVID-19 peaks, our MoM growth rates are **accelerating** now that vaccines are widely available and children are interacting in-person again. Our growth is even more compelling when you compare Blueberry to the standard telemedicine market, which has seen major declines in utilization since the winter COVID-19 spike.

Driving this growth is not just pediatric illness, but also the fact that standard telemedicine is not filling this gap.





Why Now?

We have an opportunity over the next 6 months to expand quickly while parents are looking for care and realizing existing telemedicine isn't sufficient for their kids.

With the pandemic, American families got their first real taste of standard telemedicine (Teladoc, Dr. on Demand, Amwell, etc). However, families are not using standard telemedicine with their kids.

For many illnesses, standard telemedicine providers are punting to in-person care, leaving a bad taste in the mouths of many families who now "double pay" for a visit: once for the virtual visit and again for the in-person one. This isn't so with Blueberry, and parents are noticing.

Blueberry's growth since March has been fast despite the rest of the telemedicine market being in decline.

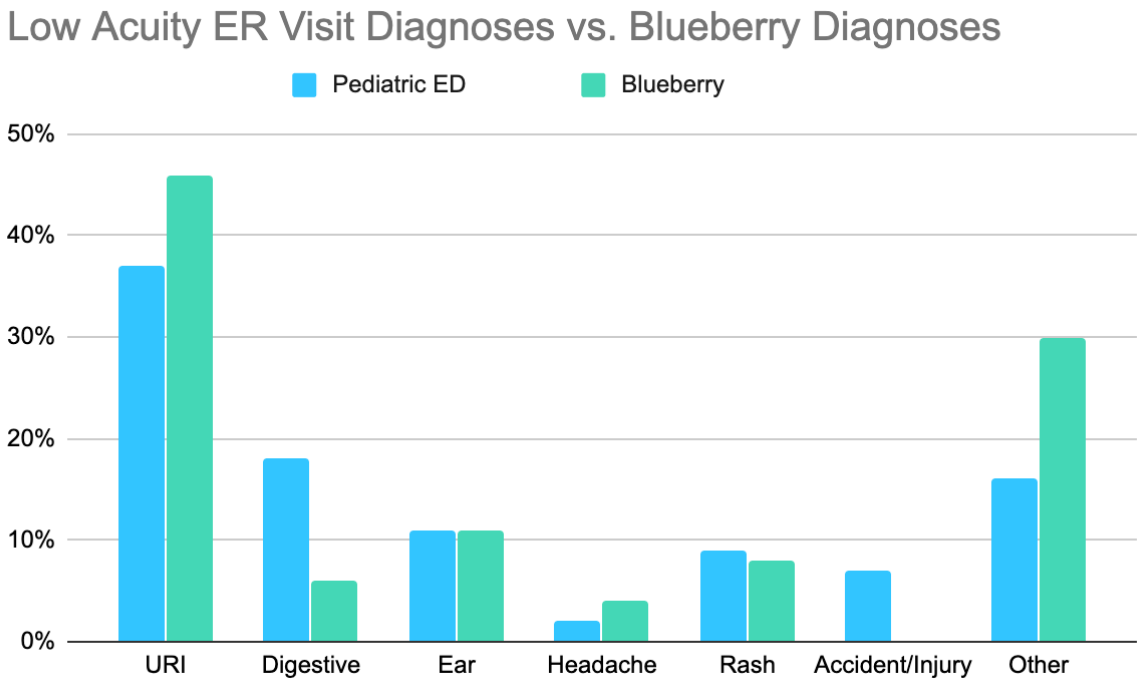
We've seen greater than 10% MoM growth in our population, our visits handled, and our revenue in every month since March, and our rate of growth is increasing. This is even more compelling when comparing Blueberry to the standard telemedicine market, which has seen major declines in utilization since the winter COVID-19 spike.

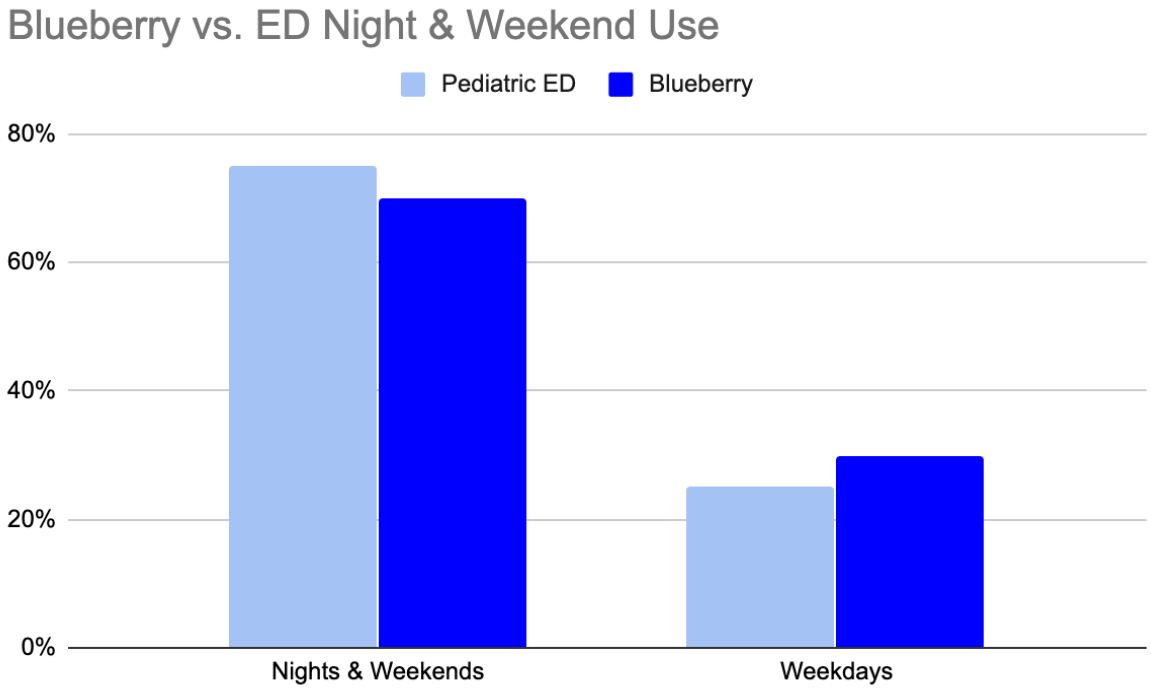
Market opportunities are opening as we expand and prove effectiveness

While our growth and opportunity in D2C is phenomenal, it only scratches the surface in terms of opportunities as a whole for Blueberry. Over the past 2 years we've provided care for thousands of children and have developed a robust set of data that proves Blueberry is effective in providing at-home care.

As hospitals, insurance companies, and employers all look to reduce the cost of care and unnecessary Emergency Room visits (which are now increasing post-pandemic), Blueberry is one of the only telemedicine providers that can show effectiveness in pediatric populations. We consistently show:

- The same utilization patterns (time, symptoms, and diagnoses) as Pediatric ERs
- 10x higher utilization rates compared to competitors (28% **monthly** utilization compared to Teladoc's 25% **annual** utilization)
- Ability to treat and diagnose 80% of cases, and triage 95% of cases away from the ER (given that 50% of our cases require a diagnostic from our medical kit, one can easily see how poor existing telemedicine services would compare).





Blueberry uses its D2C business as R&D and as a beachhead to working with Health Systems, Insurance, and Employers

Blueberry's success in the D2C market is bringing **in-bound hospital and employer requests for partnership** - many decision makers use Blueberry themselves to care for their children. We are in the perfect position to help hospitals expand their efforts into home care and value-based care, especially pediatric-focused hospitals and health systems. Both home and value-based care are major initiatives for health systems post-pandemic, however the majority of hospitals and health systems simply aren't prepared to provide the concierge-style or on-demand care needed for these initiatives to impact outcomes.

The goal of these partnerships is to eventually have **every new parent and child leave the hospital after birth with a Blueberry membership.**

Defensibility, the Data advantage, and how Blueberry expands

Blueberry is creating the largest and cleanest medical dataset in Pediatrics
When we started Blueberry, we knew from the beginning that how we collect data is critical to the long-term success of the company. While almost every other telemedicine service is performing care via video, our care is primarily done through clean, structured data. When children aren't feeling well, we walk parents through a structured intake experience, asking the same questions a doctor would in person. We request recorded snippets of symptoms, whether it be rashes, coughs, irritations, or ear scope videos. All of this information is labeled when it comes in, and when a doctor completes a visit, the "out" data is labeled as well.

This provides us with an extremely clean dataset by which to train models. These datasets can enable safe clinical decision support systems and increase the efficiency of our physicians, making it harder to compete with Blueberry. As time goes on and the data becomes even more robust, we envision Blueberry's medical

advice becoming instantaneous for many common illnesses. While this would require a shift in regulation and serious backup systems, it could be a major shift in medical care.

Blueberry's business model makes it easy to extend our diagnostics kit with more and more devices at commoditized prices

Blueberry's business model is focused on monthly membership - this means we can work to subvert the medical devices market and help commoditize. For example - a digital stethoscope today costs anywhere between $300 and $500, and is mainly for physician use. However, we've already run feasibility prototypes that could enable a digital stethoscope to be produced for a mere $10. Device-focused companies would look at this and scoff - it makes no sense to sell such a high-value device at such a low cost, however we have every incentive to drive down the cost of the device to make our recurring revenue model even more valuable. As Blueberry grows, our suite of diagnostics will grow too, and we can lock families into our service with them.

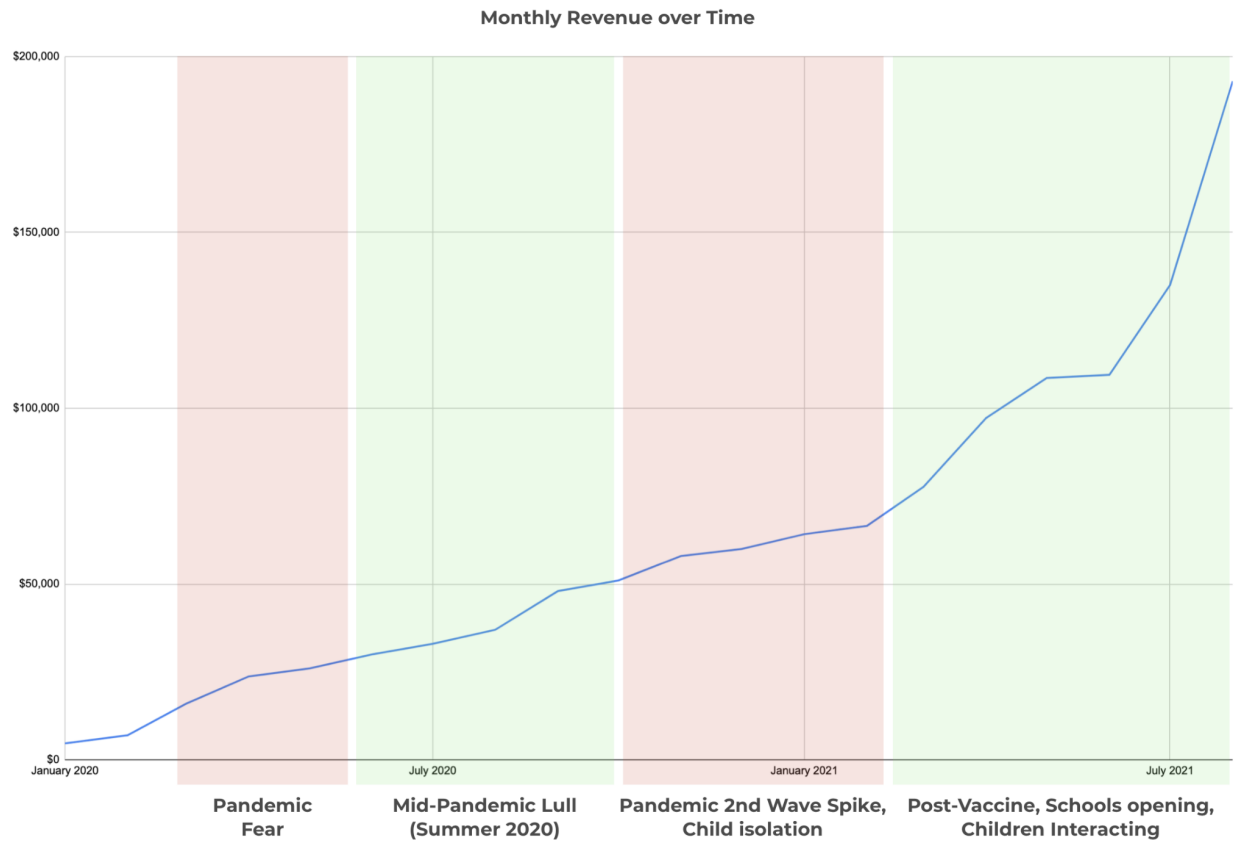
As Blueberry gets larger and larger, it becomes harder and harder to replicate or build out a system as sophisticated as ours. With healthcare being as complex as it is, once you've gained a foothold with large health systems and employers, it's really hard to dislodge you.

KPIs at a Glance

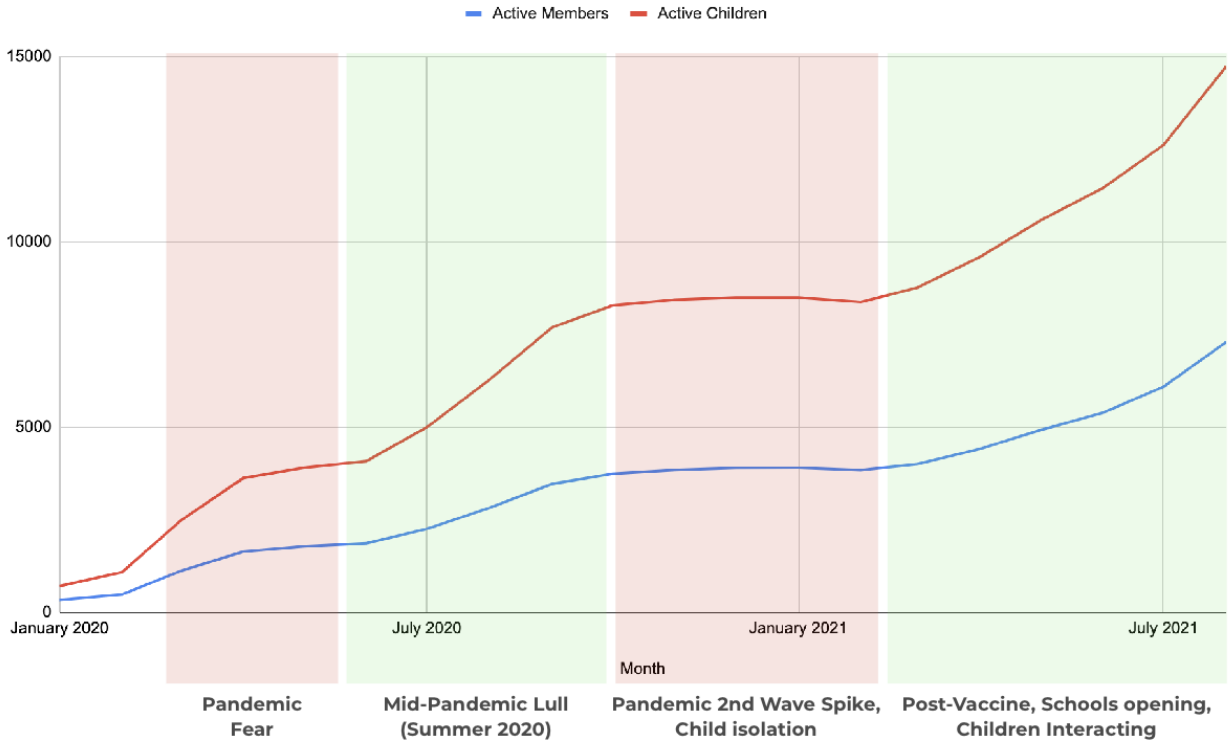
Data as of September 1st:

Annualized Revenue	**$2.3M**
Annualized Recurring Revenue	**$1.3M**
Active Children on Platform	**15,876**
Last 6 months Revenue CMGR	**20%**
CAC	**$65**
LTV (Gross Profit)	**$260**
Annual Value (Gross Profit)	**$110**
Payback Period (Kits, cost of care included)	**3 Months**
Gross Margins at Scale	**66%**
Monthly Churn	**5%**
Organic % of Growth	**35%**

Revenue over Time



User Growth over Time



Pandemic Fear

Mid-Pandemic Lull (Summer 2020)

Pandemic 2nd Wave Spike, Child isolation

Post-Vaccine, Schools opening, Children Interacting