

Startup, Inc.

Private Placement Memorandum

7 December 2016

OFFER TO SELL SECURITIES



GENERAL INFORMATION AND SECURITIES LAW NOTICES



SUITABILITY REQUIREMENTS

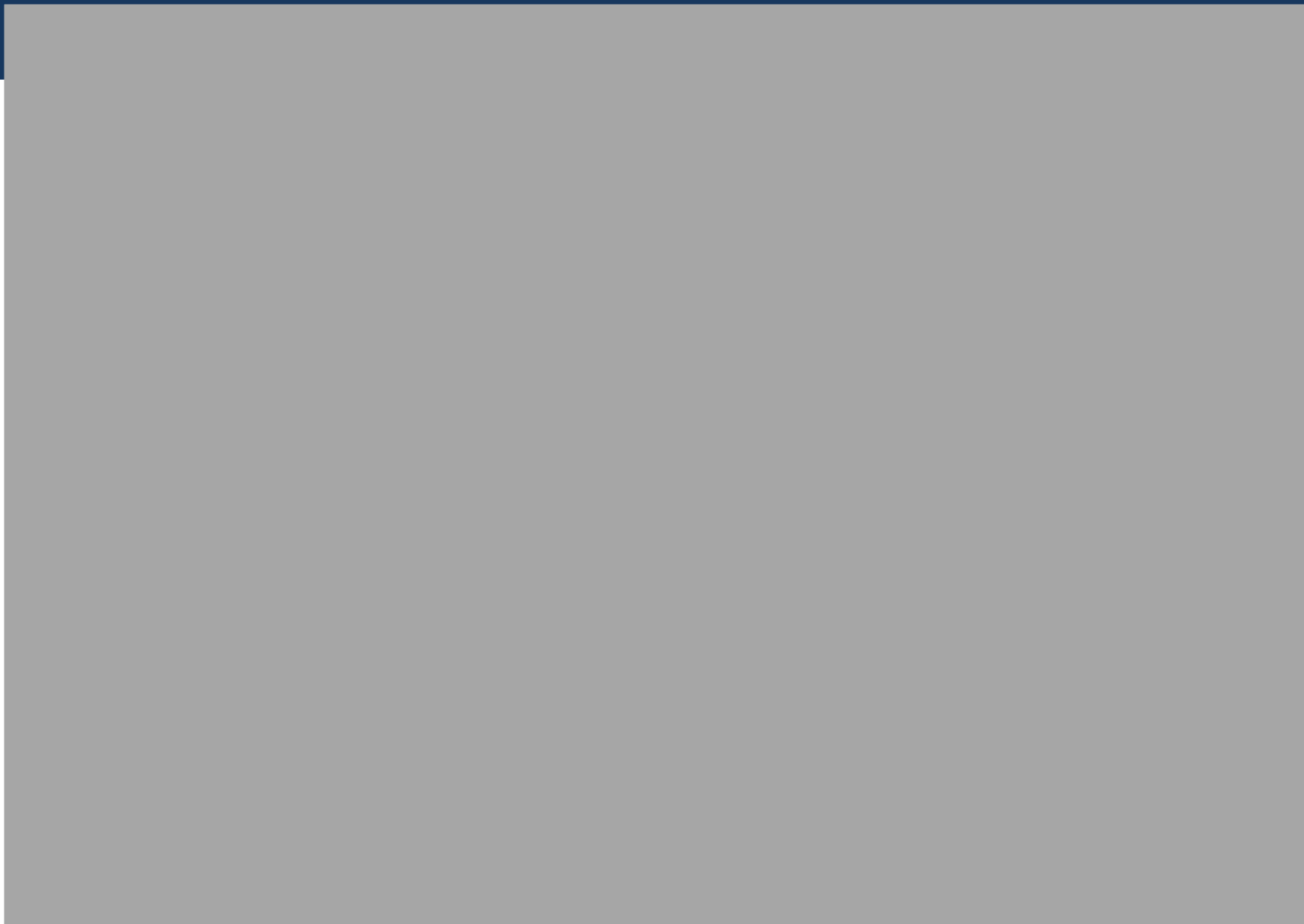


FORWARD-LOOKING STATEMENTS



RISK FACTORS

DESCRIPTION OF THE OFFERING



EXECUTIVE SUMMARY

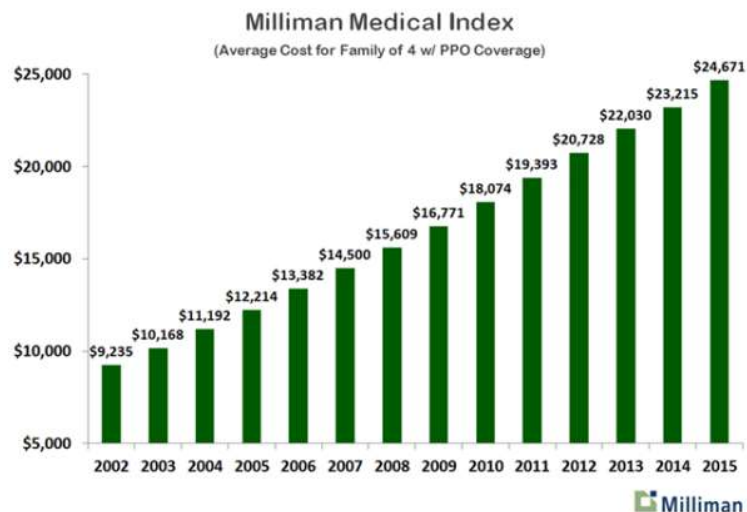
Healthcare In The United States Has A Well-Documented Array of Intractable Problems

There is a profound misalignment of supply and demand, between what the \$2 trillion healthcare industry provides and what patients really need.

Many elements of health care in The United States are broken, from a cost trajectory that regularly outpaces inflation and indices out of sync with money spent to financial burdens borne by patients and customer experiences that aren't aligned with other large industries.

Stakeholders have responded with a myriad of innovations, from hospitals' attempts to wring greater efficiencies via mergers to insurers' experimenting with high deductible policies and from the Affordable Care Act to startups' efforts to meet the needs of patients online and off.

HEALTHCARE COSTS CONTINUE TO INCREASE



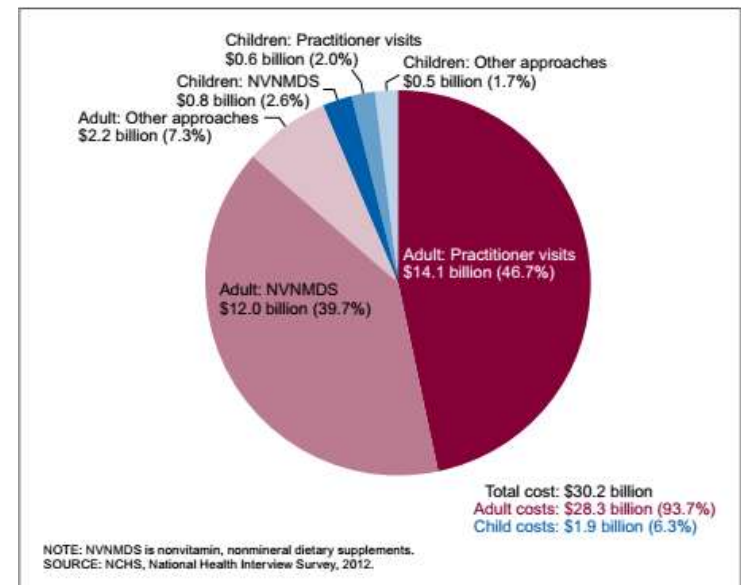
Source: Milliman

@cbinsights

#cbihealth

Milliman

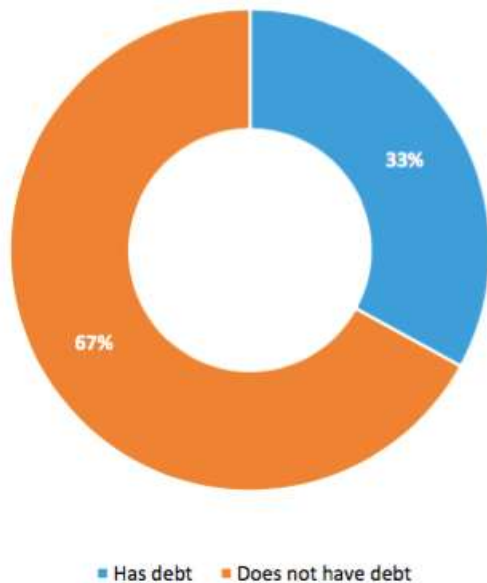
Out-of-pocket expenditures for complementary health approaches among children aged 4–17 years and adults aged 18 and over: United States, 2012



EXECUTIVE SUMMARY

Healthcare in The United States Has A Well-Documnt Array of Intractable Problems

1 out of 3 have debt due to medical costs



Prevalence of preventable, lifestyle-related disease

The second trend that helps make the case for a broader use of CAM providers is the epidemic of preventable lifestyle-related disease. A number of studies have shown that the major causes of death in the US are lifestyle-related.[25-27] Education, counseling and support for patients making these changes have been shown to work,[28-30] and even to cost less than

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pharmaceutical-based prevention.[31] One group has coined the term Lifestyle Medicine to address these educational, counseling and support functions.[32] It also seems that a number of different types of practitioners can offer these services. A large review of one of the most well-known lifestyle interventions, the Diabetes Prevention Program, found that programs lay educators did as well as those run by clinically trained personnel.[33]

EXECUTIVE SUMMARY

Seeking Health and Financial Relief, Patients Have Started to Take New Paths

Patients – facing cost pressures, intractable health problems, long-standing pain, and / or complex healthcare messaging – have responded by taking new paths. They've embraced complementary and alternative medicine (e.g., acupuncture and naturopathy), turned to practices anchored in non-Western traditions (e.g. yoga), and sought-out treatments with large promises and unclear benefits (e.g., homeopathy).

Table 3.1.

Characteristics of the Types of CAM Discussed in This Report



Characteristic	Acupuncture and Oriental Medicine	Chiropractic	Naturopathic Medicine	Massage Therapy
Estimated number of licensed practitioners in the United States	28,000	72,000	5,500	280,000
State licensure*	44 states plus D.C.	50 states plus D.C. and all U.S. territories	17 states, D.C., Puerto Rico, Virgin Islands	44 states plus D.C.
Practice requires extensive education and training	Yes: 3–4 years of graduate-level education for a Master's-level acupuncture degree, 4 years minimum for Oriental; plus another 2 years for a doctorate	Yes: 4–5 years of graduate-level education; considered doctoral-level physicians by U.S. Department of Labor (DoL).	Yes: 4–5 years graduate-level education; considered doctoral-level physicians by DoL.	No: 500 hours minimum (650 hours average; less than 1 year full time) postsecondary level education
Professional authority (represented here by direct access and ability to diagnose)	Yes: Acupuncturists in most states function as an independent ("first contact") provider. Three states (Fla., Calif., N.M.) define acupuncturists as primary care providers. However, in a few states practitioners must have supervision, prior referral, or initial diagnosis by a conventional MD.	Yes: In all states doctors of chiropractic accept patients directly without the requirement of referral from another source (direct access) and have the authority and obligation to diagnose and treat either by direct management or referral.	Yes: trained as primary care providers with the authority (in all licensed states) to diagnose and treat	No: trained to assess for contra-indications, but no authority to make a diagnosis
Participated in ACCAHC primary care paper	Yes	Yes	Yes	No

NOTE: *These data (as well as much of the information in this table) comes from the *Clinicians' and Educators' Desk Reference on the Licensed Complementary and Alternative Healthcare Professions*,¹ which notes, "For chiropractors and naturopathic physicians, this category uniformly represents licensing statutes; for

¹ E. Goldblatt P. Snider, J. Weeks, B. Rosenthal, and S. Quinn, eds. *Clinicians' and Educators' Desk Reference on the Licensed Complementary and Alternative Healthcare Professions*. 2nd ed., Raleigh, N.C.: Lulu Enterprises, 2013.

EXECUTIVE SUMMARY

Startups Are Responding to Patients' Receptivity to New Paths, Including Preventive

Company	Disclosed Funding	Description
 omada	\$77.5M	Omada Health is a digital behavioral medicine company coaches people at risk for complications from heart disease and type 2 diabetes
	\$57.6M	WhiteGlove's Health is a Population Health Management solution that provides a suite of technology-enabled health and wellness services
	\$5.93M	Kurbo Health is using mobile technology and personalized coaching to help millions of overweight children get their weight under control
	\$21.4M	Lantern offers online programs and coaching that strengthen emotional well-being

EXECUTIVE SUMMARY

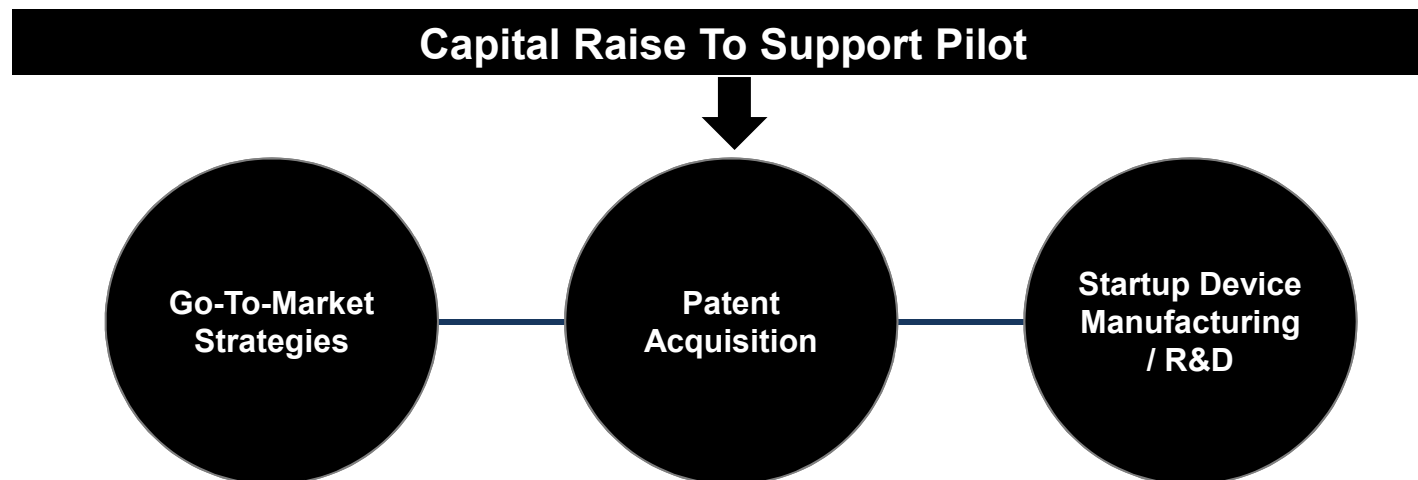
Patients Seeking New Paths Represents a Market Opportunity for Startup

Go-To-Market Strategy

Within this environment, Startup will improve patients' lives and create investor value by developing, managing, and scaling a unique retail care delivery system anchored in five pillars: relying on its patented procedure rather than its potentially less defensible device; assuring high quality via Company-owned and / or managed facilities; conducting clinical trials to demonstrate safety and efficacy; leveraging the expected positive results from the trials to evolve from a wellness brand to a healthcare brand; and delivering a customer experience across all online and offline contacts that's more aligned with leading non-healthcare brands. Startup will pilot its unique retail care delivery system, get the operations / brand / clinics right, and determine which of several potential futures is the most powerful platform to scale.

Business Model

Startup will make money through patient visits. Although Startup does not expect insurers to cover visits until after the expected positive results of the clinical trials, it believes it will become cash positive in [REDACTED] by: driving trial by tapping into demonstrated demand for innovative solutions and by marketing to and with like-minded practitioners; leveraging the multiple visit nature of provided care (which varies by need state); and expanding its reach after the expected positive trial results. It will use investor funds to develop its unique retail care delivery system and sustain it until the moment when it becomes cash positive. Startup will seek follow-on investments after it has determined which of several potential futures is the most powerful platform to scale.



EXECUTIVE SUMMARY

The Core of Startup's Innovative Care Delivery System Is Its Patented Technology

Patented Technology

StartupTM is
healthcare an

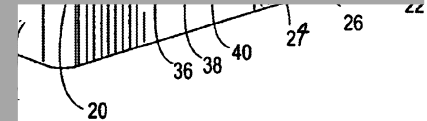
Our device a
harmful treat
an immunoth
no antibiotics
The technique
serious disea
and error res

Penetration
number of fa

- Action and intensity of the UV light applied
- Energy and Flow rate – Joules/sec/cm2



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EXECUTIVE SUMMARY

Startup's Patented Technology Evolves Almost 100 Years of Care Delivery

Technological Heritage

The practice of UBI was developed in the 1940s and autoimmune diseases and secondary emissions of antibiotics and various indications (hepatitis, etc.).

In the 1970s, the use of UBI therapy in the United States in the 1940s kept researchers from determining which of these two effects is more powerful, and in which applications.

autoimmune diseases—activated white blood cells. The lack of detailed understanding of immunology at the peak of the use of UBI therapy in the United States in the 1940s kept researchers from determining which of these two effects is more powerful, and in which applications.

EXECUTIVE SUMMARY

Startup Has Anecdotal Evidence That It Improves Lives



EXECUTIVE SUMMARY

Startup's Has Created An Innovative Care Delivery System

PATENTED TECHNOLOGY

Unique Treatment
Better Than Other
Medical
Technologys

HIGHER BAR

Experience
Anchored In
Consumer – Not
Healthcare -
Practices

QUALITY ASSURANCE

Company-Owned
Or Tight JVs Will
Ensure
Consistency

WHOLE HEALTH

Employ Elements
From
Complementary &
Alternative
Medicine (e.g.
Education)

OBJECTIVES

Startup is Seeking Investment to Pilot Its Innovative Care Delivery System

OBJECTIVES OF THE PILOT



PROVE
HEALTH
SAFETY AND
EFFICACY

PROVE
CARE
DELIVERY
MODEL

PROVE
BRAND
POSITIONING

GO-TO-MARKET STRATEGIES

The Pilot Will Prove Wellness Claims, Delivery Model, and Brand Value

Go-To-Market Strategy #1

Build
Corporate and
Retail
Operations

Go-To-Market Strategy #2

Manage
National
Clinical
Trials

Go-To-Market Strategy #3

Powerfully
Build
Brand

Go-To-Market Strategy #4

Manage
Operations,
Evaluate, and
Scale

GO-TO-MARKET STRATEGIES

The Pilot Will Prove Wellness Claims, Delivery Model, and Brand Value

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Powerfully
Build
Brand

Go-To-Market Strategy #4

Manage
Operations,
Evaluate, and
Scale

- Hire Right Team **[See Next Page For Greater Detail]**
- Engage Right Advisors **[See Next Page For Greater Detail]**
- Leverage Right Resources **[See Next Page For Greater Detail]**
- Create Flexible Corporate Structure
- Address Role of Foundation (e.g., Thought Leadership Funding)
- Secure Relevant Insurance
- Comply With Local, State, and Federal Regulations
- Establish Site Selection Criteria (e.g., High Incidence Of Disease States, Low Incidence Of PCPs, Presences Of Alternative Health In MSA, Opportunities For Local Referrals And / Or More Formal JVs)

GO-TO-MARKET STRATEGIES

The Pilot Will Prove Wellness Claims, Delivery Model, and Brand Value

Go-To-Market Strategy #1

Build
Corporate and
Retail
Operations

Right Corporate Team

- CEO
- Marketing Director
 - Channel Manager
 - Online Community Manager
- COO
 - Medical Director
 - Manager – Overall Operations
 - Manager - Retail Operations
 - Manager – HR
 - Manager - IT

Right Retail Teams For Each Of Four Sites

- RN
- RN
- Office Manager

Right Advisors and Resources

Strategy Advisors

- Month 16

TBD 3rd Party Clinical Advisors

- FDA Clinical Trials
- Trial Recruitment Manager
- Trial Manager

TBD Legal and Regulations Advisors

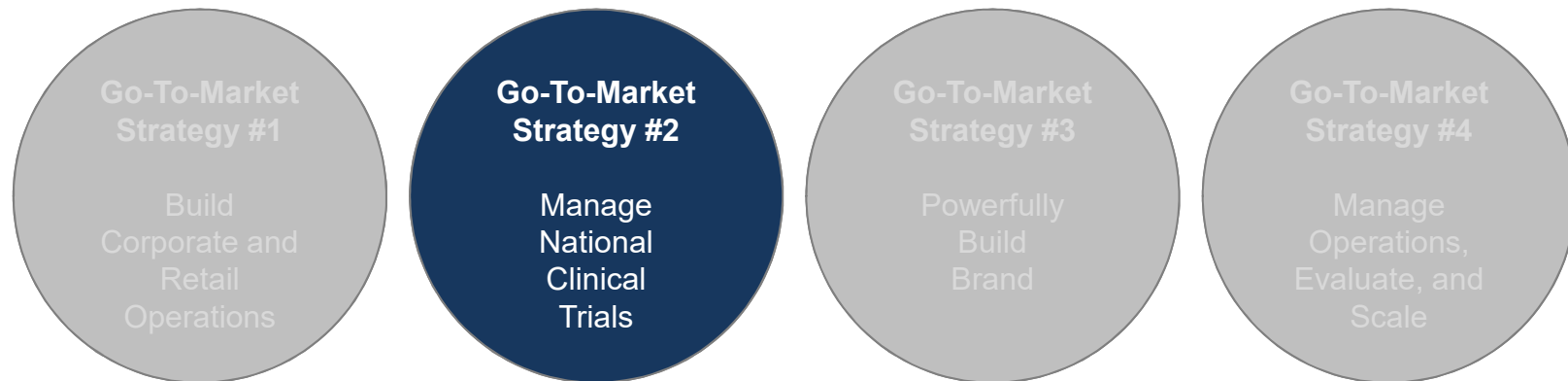
- FDA Clinical Approval Process
- Intellectual Property
- Insurance Compliance
- Local, State, and Federal Regulations and Licensing

TBD Brand Resources

- Digital Developer
- Local Marketing Firm (Traffic)
- National Marketing Firm (Thought Leadership Relating To Scaling)
- Market Research Firm

GO-TO-MARKET STRATEGIES

The Pilot Will Prove Wellness Claims, Delivery Model, and Brand Value



- Determine What Measuring
- Determine Requirements, Costs, and Timing
- 1st Priority: Safety
- 2nd Priority: Efficacy
- Determine What Claims Can Be Made and When They Can Be Made

GO-TO-MARKET STRATEGIES

The Pilot Will Prove Wellness Claims, Delivery Model, and Brand Value



- Understand
 - Patient and Channel Purchase Drivers and Health Claim Parameters
 - Current Brand Equity
- Build **[See Next Page For Greater Detail]**
 - Frame of Reference
 - Points of Parity
 - Relevant Long-Term Points of Difference
 - Flexible Brand Architecture (e.g., Corporate Name, Retail Name, Branded Process, Product Name)
- Extend
 - Secure URLs, Craft Tag Line / Visual Identity / Verbal Identity
 - Create Care Delivery Center Experience
 - Extend Care Delivery Center Experience to App and TBD Offline Touchpoints
 - Market Locally Via Medial / Channel Partnerships and Nationally (To Eventually Scale) Via Thought Leadership

GO-TO-MARKET STRATEGIES

The Brand Strategy Will Create Two Possible Futures

More Differentiated

Less Differentiated

One Possible Beginning

Competitors

- Alt / Complimentary Providers, Wellness – But Not HCPs

Points of Difference

- Procedure Rather Than Machine
- Quality Assurance Via Retail Model
- Clinical Trials
- Powerful and Consistent Customer Experience
- Greater Wellness

Clinical Tests

Possible Future: Trials Create Opportunities For Insurance Coverage, Larger Total Addressable Market, Diminish Wellness Competitors

Competitors

- Alt / Complimentary Providers, Wellness, HCPs

Points of Difference

- Procedure Rather Than Machine + Quality Assurance Via Retail Model + Clinical Trials + Powerful and Consistent Customer Experience + Better Health Results

Possible Future: Trials Do Not Create Insurance Coverage But Allow For Greater Total Addressable Market Via Competitive Edge Over Wellness

Competitors

- Alt / Complimentary Providers, Wellness, HCPs

Points of Difference

- Procedure Rather Than Machine + Quality Assurance Via Retail Model + Clinical Trials + Powerful and Consistent Customer Experience + Better Than Traditional Wellness Providers

Short-Term

Mid-Term

Long-Term

GO-TO-MARKET STRATEGIES

The Pilot Will Prove Wellness Claims, Delivery Model, and Brand Value

- Understand
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Naturopathic National

<http://www.naturopathic.org/>

Naturopathic In Representative State

<http://ncanp.com/>

Chiropractors National

<https://www.acatoday.org/>

Chiropractors In Representative State

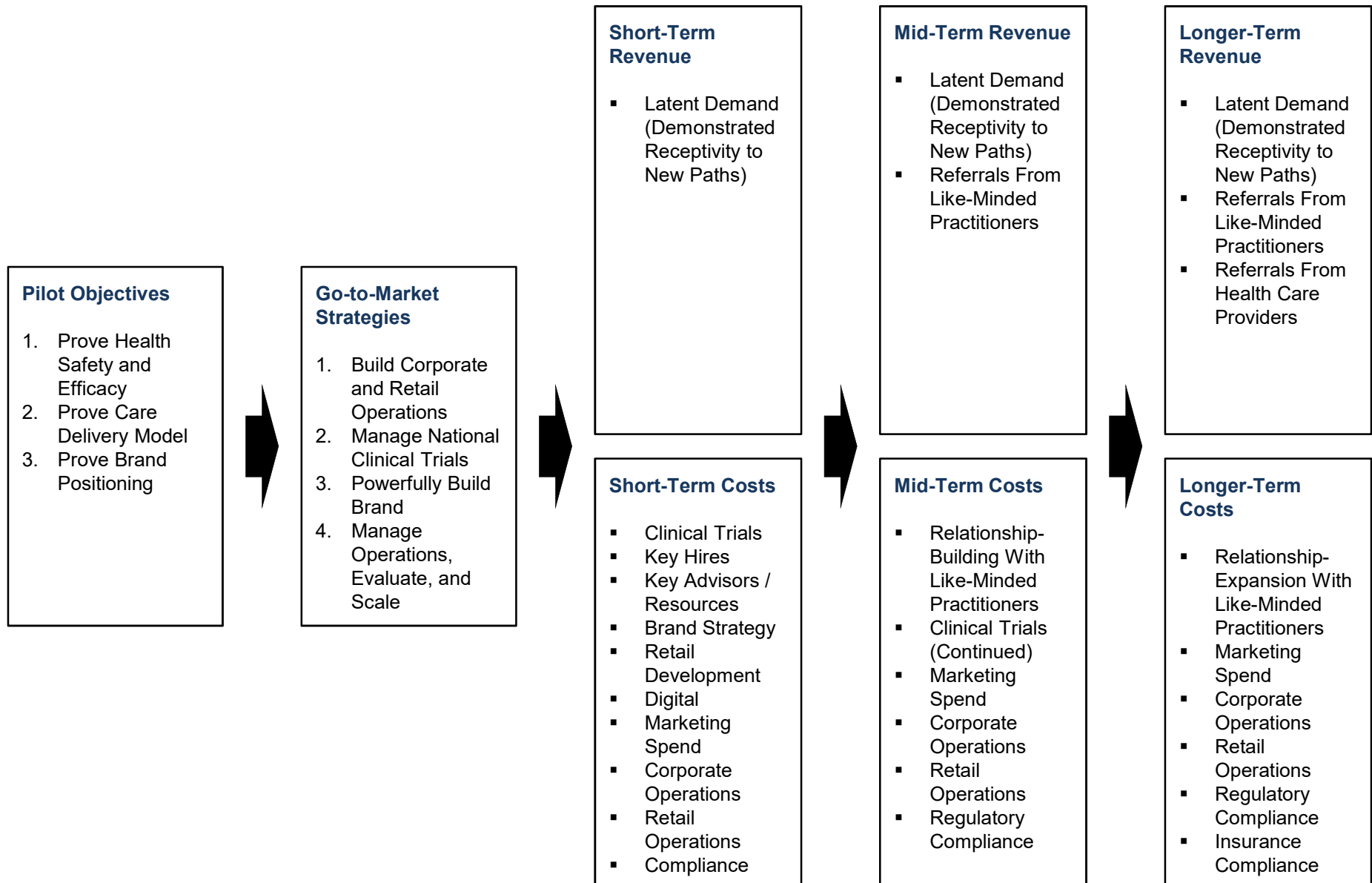
<http://www.ncchiro.org/>

GO-TO-MARKET STRATEGIES

The Pilot Will Prove Wellness Claims, Delivery Model, and Brand Value



Startup's Business Model Will Improve Lives and Create Value



USE OF FUNDS

Thank you for considering partnering with Startup, Inc.