



Synchronous
HEALTH

Annual Benefits Report 2018

Introduction

When Synchronous Health, Inc was founded in June of 2016 we knew two things – we can serve more people than currently get the help they need and we can do it with more efficacy and more efficiency. Since then we've been building out our platform. We've built our company and Karla® from scratch.

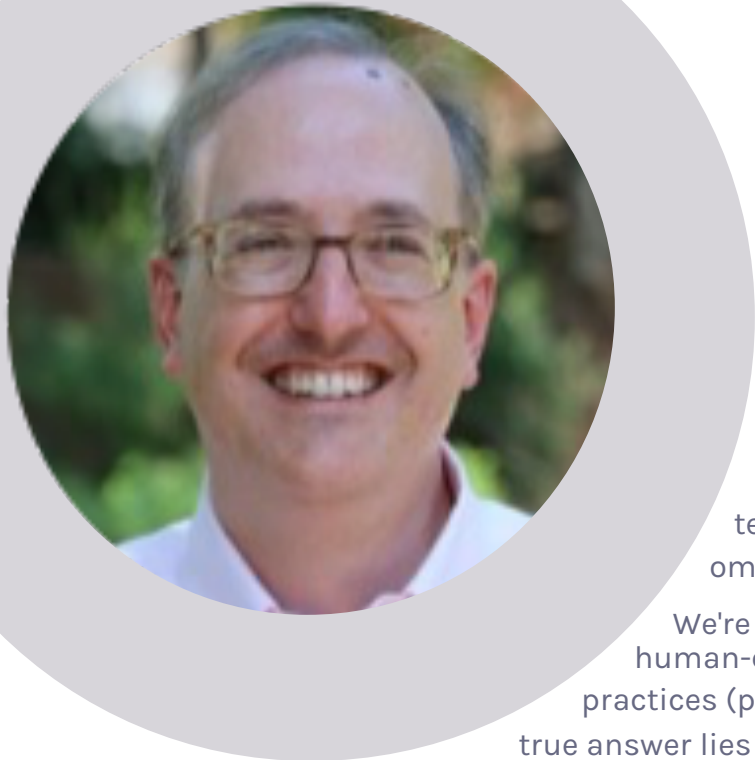
While Karla® is a bot, not a human, we have much in common. Like us humans, Karla® is always learning. The minute we stop learning is the minute we enter into decline. Also, like us humans, learnings go both ways; we learn as much from Karla® as Karla® learns from us.

2017 provided us opportunities to build, test, and iterate on our ideas about the market, the programs we create, and our role in making the world a kinder place. It was an exciting year! We brought on new team members and board members to help ensure our success. We developed clinical programs that meet the needs of specific populations. We expanded our customer pipeline to help more people. We collaborated with organizations that will help us scale our social benefit efforts.

Throughout all that we achieved in 2017, we took the opportunity to listen, learn, and incorporate those learnings into the platform and programs we offer. The feedback from the market has been overwhelming positive, not only regarding what we have created but also specifically regarding our willingness to learn, evolve, and implement based on the feedback we get. That is the benefit of being a young and nimble company.

With all the successes of 2017, we still have a lot of work to do in order to reach our initials goals of providing access to everyone who needs support. We are well on our way but it is a long journey. If 2017 taught us anything it was that perseverance and grit are prerequisites. We are well stocked with both!

We appreciate your interest in our journey and look forward to what's ahead!



Guy's Corner

The health crisis has worsened. Our countries have become more divided, more insular/separatist, more reliant on technology as boredom suppressants than human connection, and with greater fear, anger, anxiety and loneliness omnipresent. We see this in the CDC statistics, we see this on social media, and we see this in our communities.

We're surprised that big tech isn't solving for this (successfully), especially those that understand the importance of human-centered design. However, there may be a fundamental disconnect between business models that exploit dark practices (privacy-void, addiction pathways, etc.) and being a force for good. And as you may know, we've long believed that the true answer lies in the combination of humans + technology.

The good news is that across the US and across the world, the problems are all now visible to most and being discussed constructively; there is a growing desire across most communities to fix them, and with modern approaches and aged insight, now the ability to do so. This creates a fervent ground for startups like Synchronous Health, who want to do the right thing, have perhaps less resources than the big players but ones that go a long way indeed, and that are not encumbered by legacy business models or approaches. It's a frothy marketplace out there with many point solutions and we're excited to see savvy purchasers cut through the froth to seek out those that make real, sustainable difference. We're delighted to be recognized in such short-lists, whether it's at HLTH in Las Vegas or PriceWaterhouseCoopers Disruptive Innovators lists.

Our mission and vision has long been about having the most impact we can. 2019 is a year for us of commercial launch of our solution, and this is expanding access from 100s of people to tens of thousands; maybe millions soon. While Artificial Intelligence and technology can and will cause harm in other aspects of our lives, this is one application where it can be designed for good from the start; with the essence of humanity built-in. We welcome you on our journey together and shaping this application.

Our Approach to Public Reporting

When we formed Synchronous Health in 2016 we established as a benefits corporation. We declare the benefits we want to have on the individuals we serve, the communities in which we work, and the people who come to do their best work with us as team mates. As a young company it is easy to think that we should get to that later; those goals are for established companies. But we've found it a great asset to know exactly what we want to contribute to the world and aim all efforts squarely at those goals.

Synchronous Health uses a third party to measure our impact against our stated goals. B Lab's B Impact Assessment is an industry standard and allows companies to compare their practices against other companies who voluntarily assess their impact in areas that include social, environmental, employment, and governance among others.

Our benefit impact is an important part of our culture. Our benefits guide our business development. We establish partnerships and projects based on our benefit goals. And we share that information with those interested in community meetings, on our website, through social media and in our annual report. We do more than a once annual static report. We keep a pulse on our impact 365 days a year.



Our Specific Benefit Purposes

To achieve the best of what it means to be human thus creating a kinder world, resulting in better health, higher productivity, better experience, and lower costs.

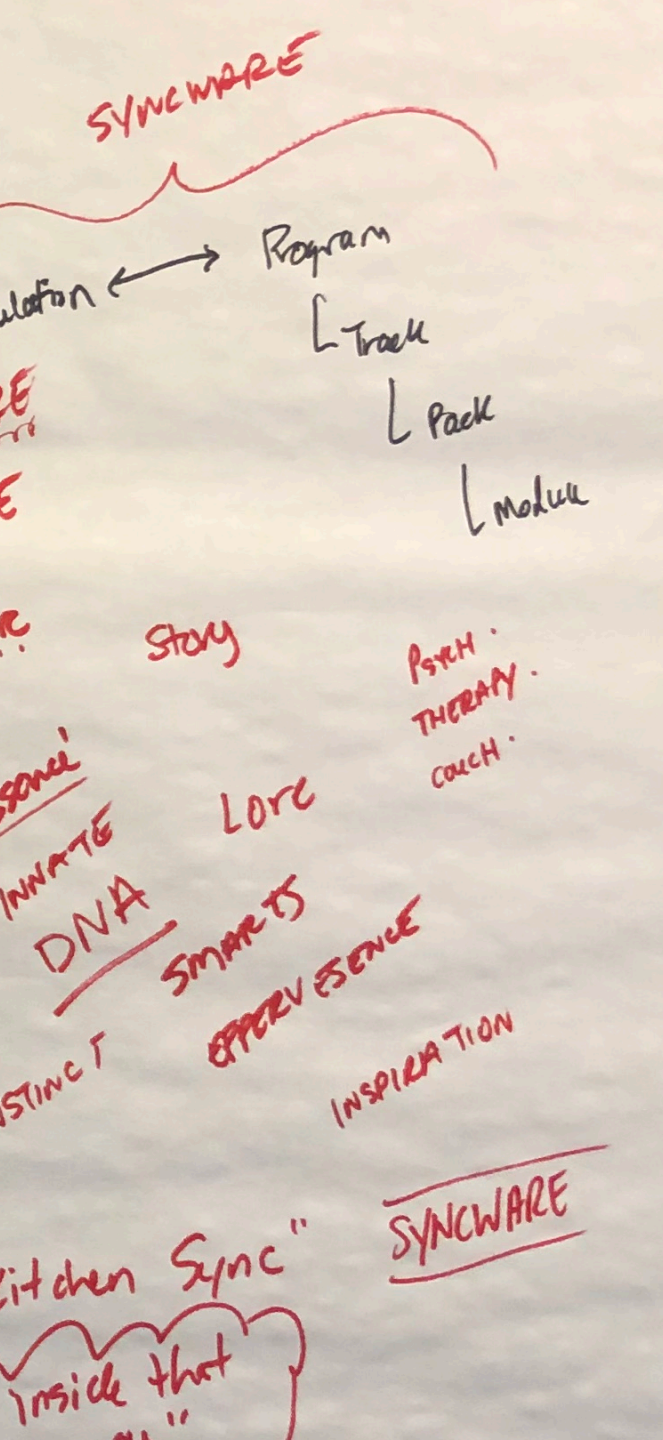
Empowering people, communities and systems with knowledge, compassion, trusted experts and relevant resources that lead to sustainable change and wisdom

1. Establish a sustainable business.
2. Put consumers first in design, implementation and practice.
3. Meet the needs of the company's shareholders.
4. Respect and develop the company's employees and workforce including its subsidiaries, suppliers and customers.
5. Address community and societal considerations.
6. Protect the local and global environment.
7. Consider the short and long term impact of all decision making.



Business Stability & Governance

Goals	Accomplishments
Identify Quantifiable Indicators and Outcomes Measures for Social, Environmental and Human Impacts	We have continued our customized approach to measuring outcomes with each customer and population we serve. We have been successful in designing those measurements with our customers. One of the primary themes we have observed is that many customers are really concerned about engagement; they want to know that Participants are going to actually use the programs that are being offered to them. We have been able to quantify the environmental impact that telehealth appointments have, reducing carbon emissions from transportation.
Formalize Processes to Share Company Financial Information with Full Time Employees	In 2018 we shared company financials with all full time staff monthly.
Third Party Validation of These Goals	We completed the B Labs B Impact Assessment for 2018. We were above average in 10 of 13 areas assessed. Highlighted practices include: <ul style="list-style-type: none">Internal Good GovernanceStakeholder EngagementSocietal and Environmental Decision Making



Put Customers First

In design, implementation, and practice

Goals

Measure the economic impact of the individuals who receive our services and of our corporate and enterprise customers

Measure the number of service recipients who would not have otherwise received care

Measure the delight of our customers with tangible experiences and outcomes

Accomplishments

We began measuring the economic status of our Participants. Currently we have approximately 50% of our Participants living below the national poverty level. The other 50% are college educated, middle class professionals on commercial insurance, but who also report financial stress.

We began measuring access to care objectively and subjectively. While we are enthusiastic about those who are getting services they would not otherwise have access to, we are still motivated to find ways to serve those who still do not have access to our services due to insurance denials. One example is an insurer that denied letting us in their network, and therefore denies service requests, yet the individuals we requested services for live in areas designated as Professional Shortage Areas by the federal government.

We collect testimonials from our prospects, customers, and Participants. Here are some of our favorites.

“We HAVE to offer this – it’s the right thing to do”

CMO of health plan

“This is exactly what I want for my clients!”

Clinical Specialist

“Thank you so much for Karla®! This is life changing!”

Participant

Meet the Needs of Company Shareholders



Goals

Make strategic decisions that maximize expected value

Assess the value of opportunities for customers and partnerships according to both short and long term value

Contextualize financial reports according to agreed upon company roadmap

Accomplishments

We have an active board that rolls its sleeves up and works on the business with us. This comes in strategy planning, financial auditing, participating in sales, and responding to management's requests for support or expertise.

The sales cycle for some of the opportunities we are pursuing might be 4 or 5 years long. We strategize ways to continue our pursuit of those opportunities while balancing our sales pipeline with nearer term partnerships.

The numbers tell part of the story. We fill in the gaps with a full narrative of how and why the numbers are where they are. Some deals get delayed, others get expedited. Some opportunities turn out to be too risky or have potential consequences in the long run, so we pass on them. Sometimes we take on a customer that might not be ideal from a revenue point of view because it's an investment in a larger opportunity – or it's just the right thing to do and contributes to our social benefit. We want our shareholders to understand why we make the decisions we do and feel comfortable with the decision making process.



Respect & Develop the Company Workforce

Goals	Accomplishments
Formalize and validate our Coaching Training Program	We are in conversations with key stakeholders in the state of Tennessee, including the Tennessee Counseling Association and the Tennessee Psychological Association, as well as with Vanderbilt University on formalizing and validating our training program.
Financially support the educational goals of our workforce	We are making progress on being able to support our team members' educational goals. For now that means that we support them with time away from work to attend trainings they identify as being relevant to their career paths. In the future that could include tuition support for training programs.
Build time into the work day for passion projects for full time employees	Each of our team members spends 10% of their time each week on passion projects that align with the mission of Synchronous Health. For some, that is leadership in industry groups to help shape the fabric of our industry. For others, that is time to tinker and innovate on solutions.
	B Lab highlights our provision of benefits to our workforce to help with their financial stability. We offer health insurance to our part time employees and we pay the full individual employee premium.
	Our team member engagement and satisfaction scores are well above average. The team members we have report high levels of inspiration and motivation to come and do their best work. We also have a long waiting list for our next available positions.



Address Community & Societal Considerations

Goals

Formalize partnerships to strategically and systematically address the opioid epidemic

Support the current industry effort to standardize outcomes measures in behavioral health

Measure the utilization of our services by people who wouldn't otherwise have access to behavioral health care

Accomplishments

In 2017 we formed formal relationships with two opioid treatment providers to support people with telehealth counseling services and between session support. We have found it challenging to serve that market due to regulatory and third party payor restrictions, but have committed to working through those hurdles for the benefit of those in need of the care.

Early conversations are in progress to evaluate and measure impact in behavioral health outcomes. Many organizations are having such conversations. Our board members have been instrumental in using their past experiences of establishing standards of care and outcomes in other industries to bring a similar level of outcomes to the behavioral health industry. This goal will continue for several years.

Many of the people we have delivered care to through our telehealth services have told us that they would not otherwise be able to access care. In fact, many of them have wanted services for a long time but were unable to receive them due to transportation, work schedules, or childcare barriers. One Participant who recently began services with us is a single mother of 4 children, one with special needs, who lives in an area with a deficient number of mental health providers. Adding counseling appointments across town was out of the question. Now she can access telesessions and her depression scores have improved in just 1 month. .



Protect the Local & Global Environment

Goals	Accomplishments
Develop resources for remote staff to participate in environmental protections	In 2018 we began researching the impact that telehealth has on the environment. All of our remote staff participate in the environmental impact of reducing emissions from transportation to and from appointments. The federal Energy Information Agency estimates that 19.6 pounds of carbon dioxide are produced from using 1 gallon of gas. If the average sedan gets 26 miles per gallon, and people drive 10 miles to and from counseling appointments, we are saving the environment approximately 7.5 pounds of carbon dioxide with each telehealth appointment we deliver.
Monitor and record water and energy usage at headquarters and averages for remote staff	We have delayed our move to a company headquarters.
Use energy efficient materials and products when we move from current office to new headquarters	We have delayed our move to a company headquarters.



Consider Short & Long Term Impact of All Decisions

Goals	Accomplishments
Develop a 50 year roadmap (we'll share it if you dare to dream with us)	This 50 year road map is still in development. We certainly look forward to sharing it and discussing it with anyone who is interested in long term health and wellbeing in the years to come.
Create a weighted decision making assessment tool to facilitate tough situations that are bound to come our way	We practice “Fork in the Road” decision making on a regular basis. We recognize the importance of decisions we make related to what customers we serve, how our financial incentives are structured, who joins our board, whether or not to entertain partnerships. It is easy to see how important decisions just get made, without pausing to acknowledge the lasting impact they will have. Having this process is critical to getting an innovative start up with lots of work to do (that’s us!) to take a step back and really evaluate all angles of certain decisions before making them.
Develop Key Performance Indicators measuring how we balance short and long term impacts	<p>We have declared that the most important things in the short term are:</p> <ol style="list-style-type: none">1. Produce revenue to secure financial viability as a company2. Engage participants on the platform to validate a positive user experience3. Recruit the best clinicians in the field <p>While these will remain of critical importance throughout our lifespan as a company, they will evolve over time. For example, right now we are focused on participant engagement so we can test and improve the Participant experience. Over time that focus will shift to hard data supporting condition improvement, predictive analytics, and artificial intelligence.</p>

Mission Statement

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