

Part 1: "Elevator" Introduction

Brief elevator pitch for your company

Shepherd App, LLC is a Veterinary Practice Management Software solution created for Veterinarians by Veterinarians. Shepherd's cloud-based web app helps practices work more efficiently within the veterinary workflow while capturing critical patient data, ensuring compliance, and eliminating errors- thus saving time, increasing revenue, and improving client satisfaction through enhanced client communication and interaction.

In addition, Shepherd App has a companion app for clients/patients that allows them to view and share their pets medical records, communicate with their Veterinarian, review treatment plans, and more.

Part 2: Market and Industry Analysis

How large is your market? What market segments are you going after and why?

The veterinary software market is expected to reach \$369 Million by 2019, but only represents a fraction of the \$22.6 Billion veterinary services market or the \$58 Billion US pet industry. With over 110,000 veterinarians in the US, not including medical staff and admins, there is a demand for easy-to-use robust technology solutions that enables Veterinarians and their staff to improve efficiency, lower costs, and increase revenue. More importantly there is an opportunity to leverage veterinary software to expand into the larger US pet industry.

Is this market growing? How fast?

The veterinary software market is expected to grow at CAGR of 5.6% for the next two years. Veterinary services revenue is expected to grow at an annualized rate of 3.2% over the three year period ending in 2020. Pet ownership is the main driver of veterinary services and has grown at an annualized rate of 2.3% in the five year period ending in 2015. As pet spending has grown at 4.2% a year and the monetary growth of the industry continues to grow at a rate of approximately \$2 billion per year.

Who is in the market already? What is the nature of competition – direction, indirect, substitutes?

Unlike other medical industries, the pet health industry has been slow to evolve and continues to rely on long fragmented paper based workflows. There are currently only five significant software companies in this space and the primary business for the majority of these companies is medical devices, not software. They are not incentivized to improve the user experience as they are focused on the device market.

Part 3: Go-to-Market Plan

Who are (will be) your customers? Describe your engagement / discussions with them to date. Have you validated their needs? Prove they are buying (or will buy) your product from you.

Day practice and emergency veterinarians (66,000 of the 110,000 veterinarians in the US) will be Shepherd's initial customer base. Shepherd has engaged 25 day and emergency veterinarians to review and advise Shepherd on product development. This group includes the author of the primary emergency veterinarian text book used in the US, two thought leaders in the industry who regularly speak at industry conferences, and a well respected professor of veterinary medicine. Shepherd is currently testing the software in a high volume emergency practice and iterating new features based on feedback from staff at all touchpoints from receptionists to billing to surgeons.

Describe how you win customers today. Describe your future customer acquisition strategy.

In the first stage of bringing the technology to market, the company will leverage its network of advisers and thought leaders. With a base of customers who can vouch for the product value, Shepherd aims to become the competitive standard that all veterinary software providers must adopt. Specific marketing tactics in this stage include: increasing market awareness through trade shows and technical conferences, advertising in trade journals and publications, SEO, direct marketing, direct sales, PR efforts, and other digital marketing tactics. By providing a free app to pet owners to store their pets medical records, pet owners will request their veterinarian use the software .

How will you displace any incumbents/competitors? How are you better/different than your competitors? What's your channel/partnership strategy, if any? The current veterinary software still incorporate a paper based workflow as they only address certain aspects of the patient care delivery spectrum. The end-result is that veterinarians increase the risk of penalties and sanctions from poor substance control, lose revenue from uncaptured billable expenses, lose time due to duplicate data entry, lose time by repeating information to patients, and lose clients to a poor customer experience. Shepherd's secure technology will deliver efficiencies that save valuable time while capturing a higher percentage of billable expenses thus increasing practice revenue. In addition, Shepherd platform will be the first offering that provides pet owners on demand access to all of their medical records and additional medical information, such as with the ability to share those records with any other veterinary health provider or person.

Part 4: Technical Product Description and Plan

Briefly describe your product or service.

Electronic Medical Records for the Veterinary industry.

Technology Validation. (What evidence can you present that your product works as advertised? Future validation plans?)

Shepherd is currently testing the software in a high volume emergency practice and iterating new features based on feedback from staff at all touchpoints from receptionists to billing to surgeons. In the next phase it will be tested in our partner network of 25 day and emergency veterinarians to review and advise Shepherd on product development.

Describe the remaining product development risks and your plans to overcome them. Shepherd has a number of additional software features (Integration with medical devices, payment processing, electronic prescriptions, etc) it plans to develop and deploy based on the lean development methodology. Risks include typical software issues: convince providers to implement solution, prove technology, and competitors developing similar features.

Describe your product's advantages (features, for example) for end-users vs. substitute solutions (not just direct competitors). Superior software platform, that is extremely simple and flexible enough to integrate with any practice, whether general or specialty medicine. Ability to capture and monetize billable expenses that were previously undocumented. Model of care supports the established relationship between a veterinary provider and patient, which is more cost effective and higher quality than episodic urgent or emergency care that takes place in a current health record silos. Client/Patient facing app that can be leveraged to enter larger pet industry market.

Describe your company's current intellectual property status and plans for the future. (Issued patents? Licensing agreements? Pending patent applications? Trade secrets?)

Shepherd is currently reviewing the potential to protect various aspects of the software and services intellectual property through patents.

Discussion of any non-IP barriers to entry for your market. Include what you have done to make it difficult for others to challenge you as well as what challenges you may face such as manufacturing arrangements, distribution contracts, partnerships, etc.?

Branding and goodwill will be our largest defense, however other companies will have a hard time entering the space with our deep rooted connection to the industry.

Part 5: Risk vs. Talent Narrative

What risks has your team mitigated so far (business-related and technical as it relates to your business)? What are the next few major risk-reduction milestones?

Shepherd has filled knowledge gaps with team members who have expertise in diverse areas related to the business. In addition feedback from industry experts has mitigated risks related to the development roadmap. Upcoming risk mitigation milestones include obtaining funding, forming partnerships, and developing the future feature sets.

Briefly list and describe your key team members.

Co-Founder/ CEO: Dr. Cindy Barnes, DVM, CST- 20 years in the veterinary industry. Certified Veterinary Spinal Manipulative Therapy, functional & Clinical Neurology, and Small and Large Animal Chiropractic Training. Purchased the Prescott Area Pet Emergency Hospital growing the revenue by 2.5x in just two years.

Co-Founder/ Lead Designer: Kirk Castro- Designer with experience in both creative and business environments. Has worked with brands such as Hurley, Oakley, Microsoft, and Nike.

Chief Operating Officer: M. Preston Clarke- Private equity and investment banking experience. Past COO/CFO for multiple businesses.

Briefly describe any holes in your leadership team. What are your plans to address any recruiting needs in the next 18 mos.?

In addition to Shepherd's key team members, Shepherd has sales experts with Veterinary industry experience. The next key hire for Shepherd will be a full stack developer to lead Shepherd's development team. Shepherd is actively seeking a candidate at this time. Currently the software is being developed by Coplex which has a record of success in developing scalable SaaS platforms.

Briefly list and describe your key advisors, and their contributions to date.

Advisor: Jon Fetvei- Vice President of Software Investment Banking with Hambrecht & Quist in San Francisco where he completed over 50 transactions for technology companies including IPOs for Netscape, Siebel and others. He was directly involved in a wide range of corporate finance activities, including M&A advisory, venture investments and public offerings. Former Chief Strategy Officer for NetZero which had over \$500 million in annual revenues.